

20 June 2025

Philippine Dealing & Exchange Corp.

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

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

Securities and Exchange Commission

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

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

Dear Mesdames and Gentlemen:

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

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

Very truly yours,

CEBU LANDMASTERS, INC.

By:


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



SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b)
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter

CEBU LANDMASTERS, INC.

3. Province, country or other jurisdiction of incorporation or organization

CEBU CITY, CEBU, PHILIPPINES

4. SEC Identification Number

CS200321240

5. BIR Tax Identification Code

227-599-320-000

6. Address of principal office

10TH FLOOR, PARK CENTRALE TOWER, JOSE MA. DEL MAR ST., CEBU I.T. PARK,
BRGY. APAS, CEBU CITY, PHILIPPINES

Postal Code

6000

7. Registrant's telephone number, including area code

0322314870

8. Date, time and place of the meeting of security holders

11 July 2025, 9:30 A.M., Hybrid of remote through teleconferencing and/or
videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St.,
Cebu City 6000

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Jun 20, 2025

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

N/A

Address and Telephone No.

N/A

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 and Amount of Debt Outstanding
COMMON SHARES	3,465,201,467
PREFERRED SHARES	4,280,340

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

- Yes No

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

THE PHILIPPINE STOCK EXCHANGE - COMMON SHARES AND PREFERRED SHARES

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



Cebu Landmasters, Inc. CLI

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting *References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules*

Date of Stockholders' Meeting	Jul 11, 2025
Type (Annual or Special)	Annual
Time	9:30AM
Venue	Hybrid of remote through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City
Record Date	May 16, 2025

Inclusive Dates of Closing of Stock Transfer Books

Start Date	May 19, 2025
End date	May 26, 2025

Other Relevant Information

If you are a holder of CLI common shares as of May 16, 2025, and intend to vote at CLI's Annual Stockholders' Meeting to be held on 11 July 2025, kindly send an email to corporate.secretary@cebulandmasters.com.

SEC Number: CS200321240

File Number: _____

CEBU LANDMASTERS, INC.

(Company's Full Name)

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

(Company Address)

(032) 231 - 4870

(Telephone Number)

December 31, 2024

(Fiscal Year Ended)

SEC Form 20-IS

Definitive Information Statement

(Form Type)

-

(Amendments)

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
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **CEBU LANDMASTERS, INC.**
3. **CEBU, PHILIPPINES**
 Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **CS200321240**
5. BIR Tax Identification Code: **227-599-320-000**
6. **10th Floor, Park Centrale Tower, Jose Ma. del Mar St.
B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines** **6000**
Postal Code
 Address of principal office
7. Registrant's telephone number, including area code: **(032) 231-4870**
8. **11 July 2025, 9:30 A.M., hybrid remote, through teleconferencing, videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines**
 Date, time, and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent to security holders

20 June 2025 (Definitive Information Statement)

10. **In case of Proxy Solicitations:**
Name of Person Filing the Statement/Solicitor: NOT APPLICABLE
Address and Telephone No.: NOT APPLICABLE
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		
	2024 (as of 31 December 2024)	2025 (as of 31 March 2025)	As of 16 May 2025 (Record Date)
Common Shares - Outstanding	3,465,201,467	3,465,201,467	3,465,201,467
Common Shares - Treasury	158,250,530	158,250,530	158,250,530
Series A Preferred Shares	4,280,340	4,280,340	4,280,340

12. Are any or all of the registrant's securities listed in a Stock Exchange?
 Yes No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange – Common Shares
Philippine Stock Exchange – Preferred Shares

TABLE OF CONTENTS

PART I.	
INFORMATION REQUIRED IN INFORMATION STATEMENT	5
A. GENERAL INFORMATION	5
Item 1. Date, time, and place of meeting of security holders	5
Item 2. Dissenters' Right of Appraisal	5
Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon	5
B. CONTROL AND COMPENSATION INFORMATION	6
Item 4. Voting Securities and Principal Holders Thereof	6
Item 5. Directors and Executive Officers	13
Item 6. Compensation of Directors and Executive Officers	28
Item 7. Independent Public Accountants	29
Item 8. Compensation Plans	30
C. ISSUANCE AND EXCHANGE OF SECURITIES	30
Item 9. Authorization or Issuance of Securities Other than for Exchange	31
Item 10. Modification or Exchange of Securities	31
Item 11. Mergers, Consolidations, Acquisitions and Similar Matters	33
Item 12. Acquisition or Disposition of Property	33
Item 13. Restatement of Accounts	33
D. OTHER MATTERS	33
Item 14. Action with Respect to Reports	33
Item 15. Matters Not Required to be Submitted	34
Item 16. Amendment of Charter, Bylaws or Other Documents	34
Item 17. Other Proposed Action	34
Item 18. Voting Procedures	34
PART II.	36
INFORMATION REQUIRED IN A PROXY FORM	36
Item 1. Identification	36
Item 2. Instruction	36
Item 3. Revocability of Proxy	36
Item 4. Persons Making the Solicitation	36
Item 5. Interest of Certain Persons in Matters to be Acted Upon	37
PART III	
SIGNATURE PAGE	38
ANNEX "A"	39
AGENDA	39
ANNEX "B"	40
PROXY FORM (for individual stockholder)	40
ANNEX "C"	42
PROXY FORM (for corporate stockholder)	42
ANNEX "D"	44
BALLOT	44
ANNEX "E"	
NOTICE OF MEETING	46
ANNEX "F"	47
MANAGEMENT REPORT	47
Management's Discussion, Analysis and Plan of Operation	47
INFORMATION ON INDEPENDENT ACCOUNTANT EXTERNAL AUDIT FEES	81
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	81
FINANCIAL STATEMENTS	81
MARKET INFORMATION	82
COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE	83
ANNEX "G"	89
DISCLOSURES UNDER SECTION 49 OF THE RCC	89

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

DATE: 11 July 2025 (Friday)
TIME: 9:30 A.M.
VENUE: Hybrid remote, through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines

Mailing Address of Principal Office:

10th Floor, Park Centrale Tower, Jose Ma. del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City,
Philippines 6000

The Information Statement, specifically the Definitive Information Statement (SEC Form 20-IS) and its accompanying annexures, may be accessed by CLI stockholders no later than 05 June 2025 at the Company website (see link below). CLI undertakes to publish and upload copy of its Definitive Information Statement (SEC Form 20-IS) and its accompanying annexures at the Company website no later than 20 June 2025, which is at least (15) business days prior to CLI's 2025 ASM, in compliance with the requirements of the Securities and Exchange Commission.

<https://cebulandmasters.com/investor-relations/stockholders-meeting>

Item 2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code of the Philippines (R.A. 11232), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) 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;
- (b) 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 the Corporation Code;
- (c) In case of merger or consolidation; and
- (d) Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized.

There are no matters to be acted upon in this Regular Stockholders Meeting of Cebu Landmasters, Inc. ("CLI" or the "Company") that may give rise to the exercise of appraisal rights by stockholders in accordance with the afore-quoted provisions of the Revised Corporation Code.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) There exists no conflict-of-interest situation for any of the individual members of the CLI Board of Directors ("CLI Directors") that require disclosure under this item.
- (b) None of the CLI Directors is opposing any action to be taken by the Company in this Regular Stockholders' Meeting. CLI is not aware of any other party who has indicated an intention to oppose the motions set forth in the Agenda.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of Outstanding Shares as of 16 May 2025 (Record Date)

Common Shares - Outstanding (Voting)	3,465,201,467
Common Shares - Treasury (Non-Voting)	158,250,530
Series "A" Preferred Shares (Non-Voting)	4,280,340

(b) Record Date: 16 May 2025

Pursuant to the resolution of the CLI Board during its regular meeting held on 9 April 2025, all CLI shareholders entitled to vote as of Record Date (16 May 2025) are entitled to attend and vote at the Regular Stockholders' Meeting to be held on 11 July 2025.

(c) Manner of Voting

Each holder of CLI common shares is entitled to one (1) vote for every outstanding common share in accordance with Section 7, Article III of CLI's By-laws as amended.

For the election of Board directors, holders of CLI common shares entitled to vote as of the record date of 16 May 2025 may vote their shares by way of "cumulative voting for one candidate" or "cumulative voting by distribution", all in keeping with Sec. 23 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines ("RCC", for brevity).

In "cumulative voting for one candidate", a holder of CLI common shares entitled to vote may lump and vote all of his/her cumulative shares for one candidate such that if he/she owns 1,000 common shares and there are eleven (11) directors standing for election, he/she may cast all of his/her 11,000 votes in favor of one candidate. In "cumulative voting by distribution", he/she may cast his/her 11,000 votes among two or more candidates equally or some other proportion at his/her discretion. The Company sets no condition precedent for the exercise of one voting method over the other since these options are provided for by law.

Consistent with Sec. 57 of the RCC, CLI stockholders may vote in person or by proxy in all meetings of stockholders.

Proxies shall be in writing, signed, and filed by the stockholder in any form authorized by CLI's By-laws and received by the Office of the Corporate Secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

As of this publication, voting through remote communication or in absentia is not yet authorized in the Company's By-laws or by the majority of the Board of Directors. However, stockholders or their proxies who wish to join this Regular Stockholders' Meeting remotely can send their ballots or proxy forms, where they can indicate their votes on every agenda item, to the Assistant Corporate Secretary on or before 4 July 2025 so that such votes can be counted prior to the meeting. Copies of the ballots and proxy forms are attached herewith as Annexures "B", "C", and "D".

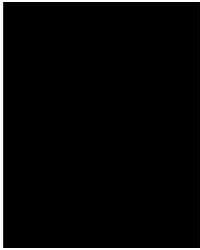
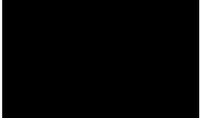
As regards treasury shares, pursuant to Sec. 56 of the RCC, the same shall have no voting rights as long as they remain in the treasury.

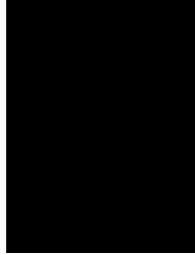
The Series "A" Preferred Shares have no voting rights except as specifically provided under the RCC. Hence, the holders and/or beneficial owners of Series "A" Preferred Shares are not eligible or entitled to vote for and elect the CLI Directors and/or vote for other agenda items in the Regular Stockholders Meeting.

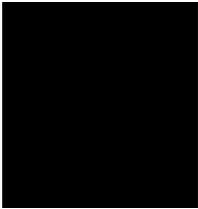
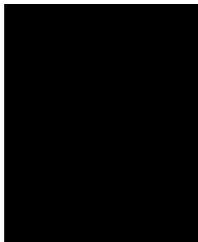
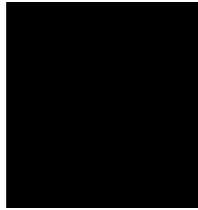
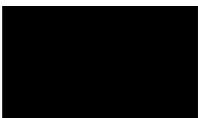
(d) Security Ownership of Certain Record and Beneficial Owners

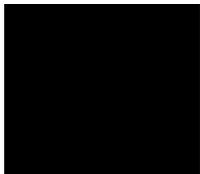
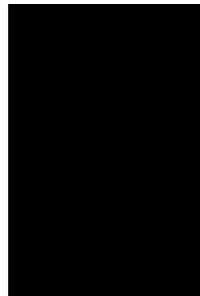
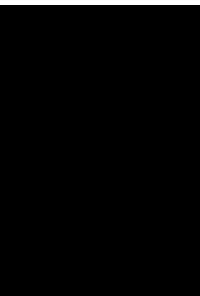
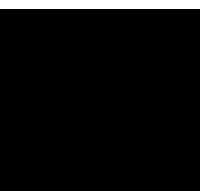
Below are the holders and/or beneficial owners of CLI shares of stock and which are entitled to vote as of Record Date (16 May 2025):

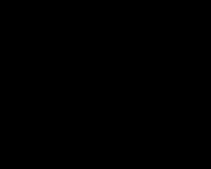
Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
Common	<p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p>	<p>AB Soberano Holdings Corp.</p> <p>(Direct)</p>	Filipino	2,198,385,729	60.67%
Common	<p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p>	<p>AB Soberano Holdings Corp.</p> <p>(Direct)</p>	Filipino	21,345,560	0.59%
Common	<p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p>	<p>AB Soberano Holdings Corp.</p> <p>(Direct)</p>	Filipino	63,675,306	1.76%
Common	<p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p>	<p>AB Soberano Holdings Corp.</p> <p>(Direct)</p>	Filipino	5,463,500	0.15%
Common	<p>PCD NOMINEE CORP. (FILIPINO)</p>	<p>PCD participants acting for themselves</p>	Filipino	1,229,424,268	33.93%

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
	<p>Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226</p> <p>Relationship with CLI: None</p>	<p>or for their customers</p> <p>(Indirect)</p>			
Common	<p>PCD NOMINEE CORP. (NON-FILIPINO)</p> <p>Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226</p> <p>Relationship with CLI: None</p>	<p>PCD participants acting for themselves or for their customers</p> <p>(Indirect)</p>	Others	56,193,067	1.55%
Common	<p>Jose R. Soberano III (Direct)</p>  <p>Relationship with CLI: Chairman of the Board, President, and CEO. He is nominated as Director for the election in the annual stockholders meeting.</p>	<p>Jose R. Soberano III (Direct)</p>	Filipino	31,220,000	0.86%
Common	<p>Jose Franco B. Soberano</p> 	<p>Jose Franco B. Soberano (Direct)</p>	Filipino	7,247,500	0.20%

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
	 Relationship with CLI: Director, COO and Senior Executive Vice-President. He is nominated as Director for the election in the annual stockholders meeting.				
Common	Janella Mae B. Soberano-Wu  Relationship with CLI: Vice President for Corporate Communications and Premier Marketing	Janella Mae B. Soberano-Wu (Direct)	Filipino	5,017,500	0.14%
Common	Joanna Marie B. Soberano-Bergundthal  Relationship with CLI: Director and Senior Vice-President for Marketing and Asst. Treasurer. She is nominated as Director for the election in the annual stockholders meeting.	Joanna Marie B. Soberano-Bergundthal (Direct)	Filipino	5,017,500	0.14%

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
Common	Ma. Nona A. Velez  Relationship with CLI: None	Ma. Nona A. Velez	Filipino	300,000	0.01%
Common	Myrna P. Villanueva  Relationship with CLI: None	Myrna P. Villanueva (Direct)	Filipino	39,300	0.00%
Common	Milagros P. Villanueva  Relationship with CLI: None	Milagros P. Villanueva (Direct)	Filipino	22,300	0.00%
Common	Marietta V. Cabreza  Relationship with CLI: None	Marietta V. Cabreza (Direct)	Filipino	22,300	0.00%
Common	Lolita Siao-Ignacio 	Lolita Siao-Ignacio (Direct)	Filipino	22,300	0.00%

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
	 Relationship with CLI: None				
Common	Maria Lourdes M. Onozawa  Relationship with CLI: None	Maria Lourdes M. Onozawa	Filipino	22,300	0.00%
Common	Myra P. Villanueva  Relationship with CLI: None	Myra P. Villanueva (Direct)	Filipino	33,450	0.00%
Common	Owen Nathaniel S AU ITF: LI  Relationship with CLI: None	Owen Nathaniel S AU ITF: LI MARCUS AU (Indirect)	Filipino	111	0.00%
Common	Jesus N. Alcordo 	Jesus N. Alcordo (Direct)	Filipino	2	0.00%

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Issued and Outstanding Shares	Percentage to Total Issued and Outstanding Shares
	 Relationship with CLI: None				
Common	Ma. Aurora D. Geotina-Garcia  Relationship with CLI: Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.	Ma. Aurora D. Geotina - Garcia (Direct)	Filipino	2	0.00%
Common	Rufino Luis T. Manotok  Relationship with CLI: Lead Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.	Rufino Luis T. Manotok (Direct)	Filipino	2	0.00%
			TOTAL	3,623,451,997	100%

In all stockholders' meetings, both regular and special, the Company shares held by AB Soberano Holdings Corp. are to be voted by JOSE FRANCO B. SOBERANO, who is one of its directors.

The Series "A" Preferred Shares have no voting rights except as specifically provided under the RCC. Hence, the holders and/or beneficial owners of Series "A" Preferred Shares are not eligible or entitled to vote for and elect the CLI Directors and/or vote for other agenda items in the Regular Stockholders Meeting.

(e) **Voting Trust Holders of 5% or More**

To the best of the Company's knowledge, none of its security holders has created a voting trust for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to their shares as described and allowed under Sec. 58 of the RCC. As such, the other details required by this section are not applicable for purposes of this information statement.

(f) **Change in Control of the Registrant since the Beginning of its last Fiscal Year**

There is no change in control of the Registrant since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

LEGAL PROCEEDINGS

As of date of this Information Statement, the Company and its Subsidiaries are not a party to, nor are any of the Company's or its Subsidiaries' properties the subject of any pending material litigation, arbitration, or other legal proceeding, and no litigation or claim of material importance is known to the management and the directors to be threatened against the Company, its Subsidiary or any of its properties, except for the civil cases involving the Company, as summarized below:

CASE NAME AND PRINCIPAL PARTIES	DATE INSTITUTED	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
Wood Innovation Trading, Inc. v. Sps. Bouffard and Cebu Landmasters, Inc.	November 2017	RTC Br. 41, Dumaguete City	Annulment of Sale, Certificates of Titles, Tax Declarations, with Recovery of Ownership and Damages	<p>The Plaintiff alleged that it had prior rights over two properties that the Company acquired in March 2017. Accordingly, the Plaintiff is seeking ₱10.70 million in damages and cancellation of the titles issued to the Company. CLI maintains its defense that there is no double sale and that it had no knowledge of its co-defendant's alleged prior transaction with the Plaintiff.</p> <p>On August 20, 2019, the Regional Trial Court in Dumaguete City dismissed the Plaintiff's claims. Nonetheless, the case remains pending as the Plaintiff refiled the case and the Company pursued its counterclaim of ₱800.00 million against the Plaintiff. A decision dated October 24, 2024 was issued dismissing the civil case. Currently, the Plaintiff filed an appeal with the Court of Appeals.</p>

CASE NAME AND PRINCIPAL PARTIES	DATE INSTITUTED	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
Pag-IBIG FUND – WTCI Condominium Corporation v. J.E. Abraham Lee Construction and Development Inc., Cebu Landmasters, Inc., and BL CBP Ventures, Inc.	July 2022	RTC Br. 9, Cebu City	Easement of lateral and subjacent support and damages	<p>The Plaintiff alleged that the construction of BL CBP Ventures, Inc.'s building adjacent to that of the Plaintiff's caused cracks in the basement of the latter. CLI maintains as its defense that there is a lack of cause of action against CLI and it is being impleaded as a defendant merely by being a joint venture partner. The Defendant, J.E. Abraham Lee Construction and Development Inc. already filed its Formal Offer of Documentary Exhibits. Despite this, the Parties are still open to signing a compromise agreement.</p>
Sanford Marketing Corporation v. Cebu Landmasters, Inc. and Carwill Construction Incorporation	November 2022	RTC Br. 39, Cagayan de Oro City	TRO, preliminary injunction, and damages	<p>This case was filed by the Plaintiff who owns a building adjacent to CLI's residential development in Cagayan de Oro City. The Plaintiff alleged that falling debris and a fire in the Plaintiff's warehouse were caused by construction activities. CLI, on the other hand, raised procedural issues on the complaint such as the improper joinder of parties and lack of jurisdiction, and alleged that the Plaintiff has not sufficiently substantiated their allegations.</p> <p>The Judge deferred the progress of the case and has only set status hearings with the general contractor, Carwill, undertaking to improve safety in the site since the filing of the case. Currently, the parties are awaiting a decision on the Plaintiff's</p>

CASE NAME AND PRINCIPAL PARTIES	DATE INSTITUTED	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
				affirmative defense of lack of jurisdiction.
Sps. Villacarlos v. Cebu Landmasters, Inc.	March 2022	HSAC 1 st Division (HSAC-RAB VII)	Specific Performance	This case was filed by a buyer in a residential development of the Company in Cebu City on March 3, 2022 with the Human Settlements Adjudication Commission of the Philippines (“HSAC”). The Complainant alleged that he established interest and rights over a particular parking unit in the development. CLI maintains as its defense that the complainant’s occupancy of the subject parking unit was merely temporary and tolerated; moreover, the slot had already been sold to another buyer. HSAC ruled against the Complainant, but he has opted to appeal. Currently, the case is pending before the Court of Appeals.

CASE NAME AND PRINCIPAL PARTIES	DATE INSTITUTED	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
<p>Cebu Landmasters, Inc. v. Devlarn Ventures and Development Corporation and the Office of the Register of Deeds of Lapu-Lapu City</p>	<p>May 2024</p>	<p>RTC Br. 7, Cebu City</p>	<p>Permanent injunction with TRO and preliminary injunction</p>	<p>On March 11, 2024, CLI received a letter from Devlarn Ventures and Development Corporation (“DVDC”) notifying it that it intends to enforce a statutory lien on the titles of the land where the exclusive beachfront community project is constructed.</p> <p>This is a civil case filed by CLI against DVDC praying that DVDC be enjoined from doing any and all acts tending to unduly interfere with the business operations of CLI, particularly with the ongoing construction activities of its Costa Mira Beachtown Mactan project, and any adverse or prejudicial actions that will cause irreparable damage to CLI’s goodwill and business reputation. The Register of Deeds of Lapu-Lapu City is also impleaded as co-defendant to prevent it from annotating any adverse claim on CLI’s titles covering the Costa Mira Beachtown Mactan project. Currently, the case is for the presentation of the first witness for the prayer for preliminary injunction.</p>

CASE NAME AND PRINCIPAL PARTIES	DATE INSTITUTED	COURT / AGENCY	RELIEF SOUGHT	SUMMARY AND LATEST STATUS
Ernesto C. Ouano Development Corporation represented by Thereone O. Villa v. Cebu Landmasters, Inc.	December 9, 2024	RTC Branch 23, Cebu City	Preliminary Injunction with Prayer for the Issuance of Temporary Restraining Order, Specific Performance, Damages and Attorney's Fees	This case is filed by Ernesto C. Ouano Development Corporation against CLI praying that the latter be enjoined from continuing its drainage and excavation works from its Project towards the Disputed Road which is part of Camp Lapu-Lapu Road in Barangay Apas, Cebu City, and in connected thereto, be awarded damages. The Plaintiff alleges that it owns the Disputed Road. CLI asserts that the excavation and drainage work along Camp Lapu-Lapu Road are valid and done in good faith, having secured all government permits from the City of Cebu. Given CLI's good faith in implementing the drainage works, there can be no basis for the reward of damages to the Plaintiff. After receiving the Plaintiff's Complaint, CLI promptly halted all drainage and excavation works on the Disputed Road and re-concreted it, restoring it to its previous condition, and ultimately rendering the issues in this case moot. The hearing for the preliminary injunction ensued where the court ordered the parties to observe the status quo.

(i) **Information about Directors**

At present, the Board consists of nine members, including three (3) independent directors in accordance with the requirements of the Securities Regulation Code and the SEC's Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, series of 2016). All of the Company's incumbent directors, including its independent directors, were re-elected at the Company's regular stockholders' meeting held on 04 June 2024 and will continue to serve as such until the next annual stockholders meeting or until their successors have been duly elected and qualified.

Members of the Board of Directors

Name	Age	Position	Citizenship	Date of first appointment as CLI Director
Jose R. Soberano III		Chairman of the Board, President, and Chief Executive Officer (CEO)	Filipino	September 2003
Ma. Rosario B. Soberano		Director, Treasurer and Executive Vice-President	Filipino	September 2003
Jose Franco B. Soberano		Director, Chief Operating Officer (COO), and Senior Executive Vice-President	Filipino	November 2010
Beauregard Grant L. Cheng		Director, Chief Financial Officer (CFO), and Executive Vice-President	Filipino	May 2019
Joanna Marie S. Bergundthal		Director, Senior Vice-President for Marketing and Asst. Treasurer	Filipino	February 2017
Rufino Luis T. Manotok		Lead Independent Director	Filipino	February 2017
Ma. Aurora D. Geotina-Garcia		Independent Director	Filipino	February 2017
Atty. Ma. Jasmine S. Oporto		Independent Director	Filipino	August 2018
Stephen A. Tan		Non-Executive Director	Filipino	May 2019

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

Other present directorships:

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

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

Ma. Rosario B. Soberano, [REDACTED] Filipino, has served as the Director, Treasurer, and Executive Vice-President of the Company since September 2003. She received a Bachelor of Science major in Accountancy degree in 1979 and graduated summa cum laude from St. Theresa’s College in Cebu. She

also obtained a Master's Degree in Business Administration from the University of the Philippines ("UP") - Cebu in 1983. She is a Certified Public Accountant and a licensed real estate broker duly registered with the Professional Regulations Commission and Department of Human Settlements and Urban Development.

Other present directorships:

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

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

Other present directorships:

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

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

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

Other present directorships:

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

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

Other present directorships:

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

Rufino Luis T. Manotok, ■■■, Filipino, joined as one of CLI's Independent Directors in February 2017. He finished the Advanced Management Program of Harvard Business School in 1994. He earned his Master of Business Management degree from the Asian Institute of Management in 1973, and Bachelor of Arts,

major in Economics, from the Ateneo de Manila University in 1971. He was the Chairman and President of Ayala Automotive Holdings Corporation from 2009 to 2012. From 2007 to 2009, he was Ayala Corporation's Senior Managing Director, CFO, and Chief Information Officer. He was Managing Director, heading the Strategic Planning Group of Ayala Corporation from 1998 to 2006. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

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

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

Other present directorships:

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

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

Other present directorships:

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

Stephen A. Tan, Filipino, has been a member of the CLI board as Non-Executive Director since May 2019. He is a Certified Public Accountant and a holder of an MBA, with distinction, from Katholieke Universiteit te Leuven in Belgium and a Bachelor of Science in Management Engineering from Ateneo de Manila University. He is also a Hubert H. Humphrey (Fulbright) Fellow in Agricultural Economics at the

University of California, Davis. He earned his degree in Accounting from the University of San Carlos. Prior to retiring from CLI as CFO in May 2019, he served as CFO and Treasurer in various companies engaged in real estate development, construction, food, and shipbuilding, among others. For more than 30 years, he has been a part-time MBA professor in leading universities in Cebu City. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or officers of CLI.

Other present directorships:

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

(ii) **Nominees for Directors and Independent Directors**

The following are the nominees for CLI Directors, including CLI Independent Directors, for the 2025-2026 term who were all nominated by the Nominations Committee, composed of Dir. Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, and Dir. Rufino Luis T. Manotok, the Chairperson of the Nominations Committee, in a regular meeting held on 4 June 2025. The Nomination Committee passed upon the qualifications of the nominees and ascertained that they do not possess any of the disqualifications. The nominated CLI Directors, including the nominated CLI Independent Directors, have signified their acceptance of the nominations.

Name	Age	Position	Citizenship
Jose R. Soberano III		Chairman of the Board	Filipino
Ma. Rosario B. Soberano		Director	Filipino
Jose Franco B. Soberano		Director	Filipino
Beauregard Grant L. Cheng		Director	Filipino
Joanna Marie S. Bergundthal		Director	Filipino
Rufino Luis T. Manotok		Lead Independent Director	Filipino
Ma. Aurora D. Geotina-Garcia		Independent Director	Filipino
Atty. Ma. Jasmine S. Oporto		Independent Director	Filipino
Stephen A. Tan		Non-Executive Director	Filipino
Dr. Winston Conrad B. Padojinog		Independent Director	Filipino
Eugene S. Acevedo		Independent Director	Filipino

Dir. Jose R. Soberano III and Dir. Ma. Rosario B. Soberano, both members of the Nomination Committee, nominated Dr. Winston Conrad B. Padojinog, and Mr. Eugene S. Acevedo, respectively, as the Company's two (2) new Independent Directors. Dir. Jose R. Soberano III and Dir. Ma. Rosario B. Soberano also nominated for re-election the incumbent Independent Directors, namely, Rufino Luis T. Manotok, as Lead Independent Director, Ma. Aurora D. Geotina-Garcia, and Atty. Ma. Jasmine S. Oporto. None of the nominating stockholders have any relation to the respective Independent Directors they have nominated.

For the description of the business experience of and, as applicable, other directorships of Jose R. Soberano III, Ma. Rosario B. Soberano, Jose Franco B. Soberano, Beauregard Grant L. Cheng, Joanna Marie S. Bergundthal, Rufino Luis T. Manotok, Ma. Aurora D. Geotina-Garcia, Atty. Ma. Jasmine S. Oporto, and Stephen A. Tan, please refer to the description set out under the section "Members of the Board of Directors".

For the two (2) new nominees for the CLI Board of Directors, please see below description.

Dr. Winston Conrad B. Padojinog, [REDACTED] Filipino, is a nominee for the position of Independent Director on the Board of CLI. He has been the President of the University of Asia and the Pacific (UA&P) since 2015 and the Center for Research and Communication Foundation, Inc - an independent and private think tank for the promotion of an enlightened private sector and economic policies that promote the common good of society since 2023, and concurrently serves as a professor of Industrial Economics and Strategic Management at UA&P. Dr. Padojinog has authored major publications, including various articles, book contributions, and academic papers; non-academic publications; business research; and has engaged in strategy consulting and business sustainability work for family businesses, listed companies, industry associations, and local government units. He is regularly invited to deliver presentations at national and

international conferences, economic briefings, and corporate strategy sessions. He holds a Doctor of Business Administration from De La Salle University - Graduate School of Business, a Master of Science in Industrial Economics from UA&P as a Scholar of the Hanns Siedl Stiftung Foundation of Germany, and a Bachelor of Science in Economics and Management (Double Major) from the University of the Philippines - Visayas. Dr. Padojinog has over 20 years of extensive experience in industry competitive analysis in the areas of property markets, the extractive sector, fintech, and the gig economy. He is adept at the use and application of financial and economic business modeling and econometrics for business decision-making, valuation, and business impact analysis. He previously held the positions of Dean and Vice Dean of the UA&P School of Management, and served as auditor and member of the Board of Trustees of the Association of Southeast Asian Institutions of Higher Learning - National Council of the Philippines. In 2024, he was jointly recognized as one of the outstanding alumni of the UP Alumni Association for educational leadership and by the UP Visayas Alumni Alumni Association, Inc. for Professional Excellence, and in 2021, was named one of “The 10 Most Agile Education Leaders in the APAC” by the Education Magazine. He is not related within the fourth civil degree, either by consanguinity or affinity, to any of the directors or officers of CLI.

Other present directorships:

Name of Entity	Classification	Nature of Directorship / Position
University of Asia and the Pacific Foundation, Inc.	Non-PLC	President; Chairman of Management Committee; President of the Board ExCom
Center for Research and Communication Foundation, Inc.	Non-PLC	President; Board of Trustee
Jose Jon Tiamsuy Foundation, Inc.	Non-PLC	Director / Trustee

Eugene S. Acevedo, [REDACTED] Filipino, is a nominee for the position of Independent Director on the Board of CLI. He has been the President and Chief Executive Officer (CEO) of Rizal Commercial Banking Corporation (RCBC) since 2019. Under his leadership, RCBC accelerated its business and digital transformation, garnering multiple awards for innovation, including best digital bank and best retail bank. Mr. Acevedo has over thirty-five (35) years of extensive banking experience across both local and multinational institutions, including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank in the Philippines, Singapore, and Hong Kong. He started as a Management Associate in Citibank in 1987 and retired as Managing Director responsible for Hong Kong and Taiwan Global Markets. His other senior roles have included regional head of Asia derivatives sales, and country treasurer for the Philippines and Hong Kong. He also served as President and CEO of Philippine National Bank, SEVP of UnionBank, and Chairman of City Savings Bank. Academically, Mr. Acevedo was a Department of Science and Technology (DOST) scholar and graduated magna cum laude with a degree in Physics from the University of San Carlos. He holds a Master’s degree in Business Administration from the Asian Institute of Management, where he currently serves on the Board of Trustees. He completed the Advanced Management Program at Harvard Business School, and also holds professional certificates in Clean Power from Imperial College London, Digital Marketing from The Wharton School, and Customer Experience from The CX Academy in Ireland. He is not related within the fourth civil degree, either by consanguinity or affinity, to any of the directors or officers of CLI.

Other present directorships:

Name of Entity	Position
Rizal Commercial Banking Corporation	Director, President and Chief Executive Officer
Amadeus Arabica Corp	Director
Holly Tree Holdings	Chairperson
Rizal Microbank, Inc. – A Thrift Bank of RCBC	Chairperson
RCBC Capital Corporation	Director
RCBC Leasing and Finance Corporation	Vice Chairperson
RCBC Rental Corporation	Director
Asian Institute of Management	Vice Chairperson
Philippine Payments Management, Inc.	Director
YGC Corporate Services, Inc.	Director
Asian Bankers Association	Director
Bankers Association of the Philippines	Director

University of San Carlos	Trustee
RCBC Trust Corporation	Director

The nominated Independent Directors are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out his or her responsibilities as a director in CLI. They do not own more than five (5%) of the outstanding shares of CLI and/or its subsidiaries and affiliates. They are not related to any director, officer, or shareholder owning at least 20% of the outstanding capital stock of CLI. They are likewise not acting as a nominee or representative of any director or substantial shareholder of CLI and/or any of its subsidiaries and affiliates pursuant to a Deed of Trust or under any contract or arrangement. They have not been employed in any executive capacity in CLI, any of its related companies, and/or by any of its substantial shareholders within the last two (2) years, or have not been retained, either personally or through his firm or any similar entity, as professional adviser, by CLI or any of its subsidiaries and affiliates, within the last two (2) years, and they have not engaged in any transaction with CLI and/or with any of its subsidiaries and affiliates, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted on an arm's length basis. Lastly, they all possess the qualifications of an independent director, and they suffer from none of the disqualifications as provided for under the Revised Corporation Code, the Securities Regulation Code, and its pertinent rules and regulations.

The nomination, pre-screening, and election of the Independent Directors were made in accordance with SRC Rule 38, as amended, Article IV, Section 3 of CLI's Amended By-laws, the Nomination Committee Charter, and its pertinent guidelines.

(iii) **Information about Key Executives and Officers**

Executive Officers

Name	Age	Position	Citizenship
Jose R. Soberano III		President and CEO	Filipino
Ma. Rosario B. Soberano		Treasurer and Executive Vice President	Filipino
Jose Franco B. Soberano		Chief Operating Officer and Senior Executive Vice President	Filipino
Beauregard Grant L. Cheng		Chief Financial Officer and Senior Executive Vice President	Filipino
Joanna Marie S. Bergundthal		Senior Vice President for Marketing and Asst. Treasurer	Filipino
Janella Mae S. Wu		Vice President for Corporate Communications and Premier Marketing	Filipino
Atty. Larri-Nil G. Veloso		First Vice President for Legal and Asst. Corporate Secretary	Filipino
Marie Rose C. Yulo		First Vice President for Sales	Filipino
Engr. Jose Rolando S. Dimatulac		Vice President for Engineering	Filipino
Sylvan John M. Monzon		First Vice President for Business Development	Filipino
Mark Leo M. Chang		Vice President for Special Projects and External Affairs	Filipino
Atty. John Edmar G. Garde		Compliance Officer	Filipino
Clarissa Mae A. Cabalda		Investor Relations Officer	Filipino

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

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

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

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

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

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

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

Mark Leo M. Chang, ■ Filipino, is the Company’s Vice President for Special Projects and External Affairs. He graduated with a degree in Bachelor of Laws (Juris Doctor) from the University of San Carlos (USC) School of Law, Cebu City in 2009 and Bachelor in Business Management from UP – Cebu in 1999. In 1998, he was awarded as one of The Outstanding Student Leaders of UP Cebu by the Junior Jaycees of UP Cebu Chapter. He previously worked as Senior Manager for External Affairs of Cebu Holdings, Inc., a subsidiary of Ayala Land, Inc. from February 2015 to July 2017 (including as Consultant) and as Senior Manager for Permits with Countryside Water Services under Filinvest Development Corporation from August 2017 to June 2018. He held the position of Presidential Staff Officer V functioning as Executive Assistant and Political Officer under the Office of the Presidential Political Adviser Sec. Ronaldo M. Llamas of the Office of the President from April 2011 to December 2014. He also worked as an Intern (Researcher) at Sycip Salazar Hernandez Gatmaitan Law Office - Cebu Branch from September 2005 to March 2007. He used to be the National President of the Association of Law Students of the Philippines, a federation of law student councils in the country, for Academic Year (AY) 2008-2009 and President of USC Lex Circle (Law Student Council) for 2 terms in AY 2006-2008. He is one of the founders of Roco for President Youth Movement and Aksyon Kabataan, a youth arm of Aksyon Demokratiko, the political party of the late Sen. Raul S. Roco in 1998. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

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

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

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

(iv) **Involvement in Certain Legal Proceedings**

To the best of the Company's knowledge and belief and after due inquiry and save as indicated below in respect of Ma. Aurora D. Geotina-Garcia (one of the incumbent independent directors and nominee for independent director), none of the Company's other directors, other nominees for election as CLI director, executive officers, or controlling persons of the Company have, in the five-year period prior to the date of this Information Statement:

1. had 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;
2. have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;
3. have been the subject of 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 their involvement in any type of business, securities, commodities, or banking activities; or
4. have been 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 such judgment having not been reversed, suspended, or vacated.

Ma. Aurora D. Geotina-Garcia, one of the incumbent independent directors, and a nominee for re-election as independent director, is a party in the following legal proceedings which were filed against her in her capacity as a former member of the Board of Directors of the Bases Conversion and Development Authority ("BCDA"):

1. *Criminal case for libel which is presently pending with the Supreme Court* – The case involves statements which the BCDA caused to be published in the Philippine Daily Inquirer. At the time of publication, the accused were members of BCDA's Board of Directors, including Ms. Geotina-Garcia. The private complainant, who is the CEO of CJH Development Corporation, contended that by these publications, the accused committed libel.

The libel case was dismissed by the trial court for insufficiency of evidence of the prosecution, which dismissal was equivalent to an acquittal. Private complainant's Petition for Certiorari, assailing the dismissal of the case, was also dismissed by the Court of Appeals for failure of the petitioner to show grave abuse of the trial court's discretion. The private complainant's motion for reconsideration was denied. The private complainant then filed a Petition for Review on Certiorari dated June 13, 2024 with the Supreme Court seeking a reversal of the Decision dated August 29, 2023 and Resolution dated March 21, 2024 of the Court of Appeals. This is now pending disposition of the Supreme Court for outright dismissal or order respondents to file their comments.

2. *Appeal from the dismissal by the Office of the Ombudsman of criminal charges for acts of the BCDA Board of Directors pending before the Supreme Court* – The case was originally filed with the Office of the Ombudsman, which was subsequently dismissed on January 15, 2016. The appeal before the Supreme Court was dismissed in a Decision dated January 13, 2021. The petitioner filed a Motion for Reconsideration dated February 9, 2022, which is pending resolution.

3. *Appeal from the dismissal by the Office of the Ombudsman of administrative charges for acts of the BCDA Board of Directors pending before the Court of Appeals* – The case was originally filed with the Office of the Ombudsman and was subsequently dismissed. The petitioner appealed to the Court of Appeals but the appeal was also dismissed. The petitioner then filed a Petition for Review before the Supreme Court which subsequently denied the same. It subsequently entered judgment on March 14, 2019.

(v) **Resignation of Directors**

None of the current set of directors has resigned.

(vi) **Significant Employees**

There is no Non-Executive Officer(s) within the Company that is/are expected to make significant contributions to the business.

(vii) **Family Relationships**

The executive officers and members of the Board of Directors of the Company are not related by consanguinity or by affinity among each other, except: Jose R. Soberano III (husband of Ma. Rosario B. Soberano), Ma. Rosario B. Soberano (wife of Jose R. Soberano III), Jose Franco B. Soberano, Janella Mae S. Wu, and Joanna Marie S. Bergundthal (children of Spouses Jose R. Soberano III and Ma. Rosario B. Soberano).

(viii) **Related-Party Transactions**

The Company and its subsidiaries (the "Group"), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances to related parties, management fees, purchase and sale of real estate properties, contracted services, and real estate sales to key management personnel. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

Name of Related Party	Nature of Relationship	Net Receivable (Payable) Balance as of 30 Apr 2025	Other relevant terms (e.g., nature of RPT; repayment terms)
BL CBP Ventures, Inc.	Subsidiary; JV	119,109,989	The net balance primarily pertains to CLI's shareholder advances which serve as temporary working capital in support of the JV entity. As agreed between the parties, the repayment terms are contingent on the liquidation of the JV entities' receivables, increase in takeouts, and positive cash flow.
El Camino Developers Cebu, Inc.	Subsidiary; JV	5,396,566	The balance pertains to management fees for administrative and operational services.
Yuson Excellence Soberano, Inc.	Subsidiary; JV	217,591	

Cebu BL-Ramos Ventures, Inc.	Subsidiary; JV	25,182,600	This pertains to management fees for administrative and operational services.
Cebu Homegrown Developers, Inc.	Subsidiary; JV	1,840,260	The balance pertains to management fees for administrative and operational services.
GGTT Realty Corporation	Subsidiary; JV	20,759,034	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
Mivesa Garden Residences, Inc.	Subsidiary; JV	142,162	This pertains to management fees for administrative and operational services.
CCLI Premier Hotels, Inc.	Subsidiary; JV	135,499,028	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
Yuson Huang Excellence Soberano, Inc.	Subsidiary; JV	1,597,892	This pertains to management fees for administrative and operational services.
YHEST Realty and Development Corporation	Subsidiary; JV	2,370,558	This pertains to management fees for administrative and operational services.
Sugbo Prime Estate, Inc.	Subsidiary; JV	42,513,803	These primarily pertain to CLI's shareholder advances which are essentially capital contributions in nature to support the needs and requirements of the JV entity.
CLI-Lite Panglao Inc.	Subsidiary; JV	544,644	This pertains to management fees for administrative and operational services.
CLI MAC Developers, Inc.	Subsidiary; JV	3,735,900	This pertains to CLI advances to support the needs of the JV entity.
CLI Luzon Ventures, Inc.	Subsidiary; JV	10,000	This pertains to CLI advances to support the needs of the JV entity.
Total		₱346,795,526	

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

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

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

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

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

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

Item 6. Compensation of Directors and Executive Officers

The table below lists the Company’s President and CEO and the four most highly compensated senior officers:

Name of Office and Principal Position	Year	Salary	Bonus	Other Compensation
<p>CHIEF EXECUTIVE OFFICER AND FOUR MOST HIGHLY COMPENSATED OFFICERS</p> <p>1. Jose R. Soberano III <i>President and CEO</i></p> <p>2. Ma. Rosario B. Soberano</p>				

<i>Treasurer and Executive Vice President</i>				
3. Jose Franco B. Soberano				
<i>COO and Senior Executive Vice President</i>				
4. Beauregard Grant L. Cheng				
<i>CFO and Executive Vice President</i>				
5. Joanna Marie S. Bergundthal				
<i>Senior Vice President for Marketing and Asst. Treasurer</i>				
All above named officers as a group	Actual 2024	58,593,353.00	0.00	17,706,265.00
	Actual 2023	53,483,939.64	0.00	20,715,507.99
	Projected 2025	59,899,243.00	0.00	27,298,985.00
All other directors and officers as a group unnamed	Actual 2024	61,949,940.00	0.00	18,906,618.00
	Actual 2023	68,942,167.35	0.00	19,157,807.00
	Projected 2025	69,115,692.68	0.00	28,057,267.78

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

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

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

There are no outstanding warrants or options held by the Company's chief executive officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

(a) The principal accountant and external auditor of the Company is Punongbayan & Araullo, and has been recommended by CLI's Audit Committee to remain the external auditor for fiscal year 2025, subject to its formal appointment at the Regular Stockholders Meeting on 11 July 2025.

For the 2024-2025 term, the Audit Committee is composed of four (4) qualified non-executive directors, three (3) of whom, including the Chairperson, are independent directors. All the members of the Audit

Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chairperson of the Audit Committee, Director Ma. Aurora D. Geotina-Garcia, is not the Chairman / Chairperson of the CLI Board or of any other committee.

CLI's non-executive directors, including its independent directors, are paid per diem allowances for board and committee meetings attended. For a CLI Board meeting, the non-executive director / independent director is paid a per diem allowance of Php 60,000.00. For a committee meeting attended, the non-executive director / independent director is paid a per diem allowance of Php 40,000.00 (regular) or Php 30,000.00 (special). The other members of the Board who are executives and receiving salaries as such do not get additional per diem or compensation for their attendance in Board and/or committee meetings.

(b) The principal accountant and external auditor of the Company is Punongbayan & Araullo (P&A). Pursuant to CLI's Manual on Corporate Governance, and in compliance with law and pertinent regulations, the external auditor or the signing partner of the external auditing firm assigned to CLI is rotated or changed at least every five (5) years.

In compliance thereto, and commencing with the audit of its FY2023 financial statements, as well as the current FY2024 financial statements, the external auditor, Punongbayan & Araullo (P&A), assigned a new engagement and signing partner in the person of Mr. Renan A. Piamonte (CPA Reg. No. 0107805). Prior thereto, and for CLI's FY2021 and FY2022 financial statements, P&A's engagement and signing partner was Ms. Mailene Sique-Bisnar. Before her, the P&A engagement and signing partner assigned to CLI was Mr. Christopher M. Ferarezza, who handled CLI's FY2020, FY2019, and FY2018 financial statements.

Pursuant thereto, CLI is compliant with the requirement of rotation of External Auditor.

(c) A representative of Punongbayan & Araullo is expected to be present at the regular stockholders meeting to respond to appropriate questions or make a statement if he/she desires to do so.

(d) Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the three most recent fiscal years. The Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

The table below shows the fees paid by the Company for the services of Punongbayan & Araullo:

	2021	2022	2023	2024
Audit and Audit Related Fees	₱2,464,000.00	₱3,310,657.61	₱5,712,000.00	₱6,698,440.00
Non-audit fees	₱69,000.00	None	None	₱552,000.00
TOTAL	₱2,533,000.00	₱3,310,657.61	₱5,712,000.00	₱7,250,440.00

The FY2024 non-audit fees amounting to ₱552,000.00 pertain to the fees paid by CLI to P&A for its review of financial statements for the nine-month period ending September 30, 2024 in relation to CLI's Sustainability-Linked Bond Offering in 2024. There was no non-audit work conducted by P&A in 2023 and 2022.

Item 8. Compensation Plans

There are no matters or actions to be taken up in the Regular Stockholders' Meeting on 11 July 2025 pertaining to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken in the Regular Stockholders Meeting on 11 July 2025 pertaining to authorization or issuance of securities other than for Exchange.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the Regular Stockholders Meeting on 11 July 2025 pertaining to modification or exchange of securities.

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up during the Regular Stockholders Meeting on 11 July 2025 pertaining to merger, consolidation, acquisition by sale, or liquidation of the Company.

Item 12. Acquisition or Disposition of Property

There are no matters or actions to be taken up during the Regular Stockholders Meeting on 11 July 2025 pertaining to acquisition or disposition of any property by the Company.

Item 13. Restatement of Accounts

There are no matters or actions to be taken up during the Regular Stockholders Meeting on 11 July 2025 pertaining to restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 14. Action with Respect to Reports

- a) Approval of the Audited Financial Statements as of December 31, 2024;
- b) Ratification of all acts of the Board of Directors during its 2024-2025 term;
- c) Review and Approval of the Minutes of the Annual Stockholders Meeting held on 04 June 2024;
- d) Approval of the Amendment of the By-Laws to Move the Date of the Annual Stockholders' Meetings

Item 15. Matters Not Required to be Submitted

None.

Item 16. Amendment of Charter, Bylaws or Other Documents

An amendment of Article III of CLI's By-Laws ("By-Laws") will be submitted for the approval of the Company's stockholders during the Regular Meeting on 11 July 2025.

The proposed amendment was approved by the CLI Board during its regular meeting held on 9 April 2025.

From	To
Section 2. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held at the principal office of the Corporation on the 1st Friday of July of each year XXX	Section 2. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held at the principal office of the Corporation <u>on or before the second week of June.</u> XXX

The purpose of the amendment of the By-Laws is to move the date of the Annual Stockholders' Meetings from the 1st Friday of July of each to on or before the second week of June.

Item 17. Other Proposed Action

None.

Item 18. Voting Procedures

(a) Vote required

In accordance with Section 7, Article III of CLI's By-laws, as amended, any matter, question, or election submitted to a vote during stockholders meeting, except in cases where specified in the By-laws or where other provision is made by statute or in the Articles of Incorporation, in order to be carried, shall require the majority vote (50% plus 1) of the outstanding capital stock of stockholders present in person or by proxy, a quorum being present.

Based on the foregoing, and pursuant to Section 47 of the RCC, the proposed amendment of the By-Laws shall require the affirmative vote of stockholders representing at least a majority of the outstanding capital stock of the Company entitled to vote, present in person or by proxy.

All other items in the Agenda shall also require the affirmative vote of a majority of the outstanding capital stock of the Company entitled to vote, present in person or by proxy.

(b) Manner of Voting

In all items for approval during the Regular Stockholders' Meeting, each holder of common shares is entitled to one (1) vote for every outstanding common share.

Pursuant to Section 56 of the RCC, treasury shares shall have no voting right as long as they remain in the treasury. The Series "A" Preferred Shares have no voting rights except as specifically provided under the RCC. Hence, the holders and/or beneficial owners of Series "A" Preferred Shares are not eligible or entitled to vote for and elect the CLI Directors and/or vote for other agenda items in the Regular Stockholders Meeting.

The Company sets no condition precedent for the exercise of one voting method over the other since these options are provided for by law.

Proxies shall be in writing, signed, and filed by the stockholder in any form authorized by CLI's By-laws and received by the Office of the Corporate Secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

As of this publication, voting through remote communication or in absentia is not yet authorized in the Company's By-laws or by the majority of the Board of Directors. However, stockholders or their proxies who wish to join this Regular Stockholders' Meeting remotely can send their ballots or proxy forms, where they can indicate their votes on every agenda item, to the Corporate Secretary on or before 4 July 2025 so that such votes can be counted prior to the meeting. A copy of the ballots and proxy forms are attached herewith as Annexures "B", "C", and "D".

(c) Method of Counting Votes

The accounting firm of Sta. Ana Rivera & Co. shall be responsible for the counting of votes and tabulation of results based on the number of shares entitled to vote owned by the stockholders who submitted their ballots or proxy forms on or before 4 July 2025 to CLI's Office of the Corporate Secretary.

All votes received shall be tabulated by Sta. Ana Rivera & Co., with the assistance of CLI's Office of the Corporate Secretary and CLI's stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

(d) Items for Approval by Stockholders in the Regular Meeting

A copy of the Agenda enumerating the items for approval by stockholders at the Regular Stockholders' Meeting is attached herewith and made integral hereof as Annex "A".

PART II. INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification

The Company is not soliciting any advanced votes by proxy on all matters intended for approval by stockholders at the Regular Stockholders Meeting on 11 July 2025. Please refer to Annex "A" for the items requiring such approval.

Item 2. Instruction

Pursuant to Section 7, Article III of the CLI By-laws, any security holder who cannot be physically present but entitled to vote at the Regular Stockholders' Meeting on 11 July 2025 may be represented by proxy who may vote his/her shares on any matter intended for approval by stockholders. Copies of the prescribed proxies for individual and corporate stockholders are attached herewith and made integral hereof as Annexures "B" and "C". Proxy forms sent in substantially the same form as the foregoing annexures are valid subject to validation by the Corporate Secretary or his assistant. The decision of the Corporate Secretary or his assistant on the validity of any proxy form shall be final and binding until set aside by a court of competent jurisdiction in keeping with paragraph 2, Section 8, Article III of the CLI By-laws.

All proxy forms must be delivered by post or email to the address below on or before 4 July 2025, which is likewise the date set for its verification:

Atty. Larri-Nil G. Veloso
Assistant Corporate Secretary
10th Floor, Park Centrale Tower,
Jose Ma. del Mar St., Cebu I.T. Park,
Brgy. Apas, Cebu City, Philippines
E-mail: larri_nil@cebulandmasters.com
Phone: +6332 231.4914 loc. 128

If delivered by email, kindly use the following addresses:

legal.department@cebulandmasters.com

Please refer to Item 19(b) above for the mechanics on how votes will be taken either in person or by proxy at the Regular Stockholders' Meeting on 11 July 2025.

Item 3. Revocability of Proxy

Pursuant to Section 8, Article III of the CLI By-laws, proxy forms are considered valid only for the meeting at which it has been presented to the Corporate Secretary or his assistant, unless otherwise provided, which shall in no case be valid and effective for a period longer than five years from the date of the proxy in keeping with the provision of SRC Rule 20.

Proxy forms filed may still be revoked by the stockholders either by an instrument in writing duly presented and recorded with the Corporate Secretary or his assistant prior to the scheduled meeting or by their personal presence on 11 July 2025.

Item 4. Persons Making the Solicitation

Not applicable for this Regular Stockholders' Meeting.

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

(a) Solicitations Not Subject to paragraph (8) of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Regular Stockholders' Meeting on 11 July 2025.

(b) Solicitations Subject to paragraph (8) of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Regular Stockholders' Meeting on 11 July 2025

**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 are true, complete, and correct. This report is signed in the City of Cebu on

~~JUN 20 2025~~

By:



ATTY. LARRINIL G. VELOSO
Assistant Corporate Secretary

ANNEX “A”



AGENDA CEBU LANDMASTERS, INC.

Annual Stockholders Meeting
11 July 2025
09:30 AM – 12:00 NN
Citadines, Baseline Center, Juana Osmeña St., Cebu City
and through Zoom Videoconferencing

09:00 – 09:30 AM	Registration	Secretariat
09:30 – 09:33 AM	Opening Prayer	Dir. Stephen A. Tan
09:33 – 09:34 AM	Call to Order	Chairman Jose R. Soberano III
09:34 – 09:36 AM	Certification of Notice and Quorum	Corporate Secretary
09:36 – 09:45 AM	Reading and Approval of the Minutes of the Previous Annual Stockholders Meeting held on 4 June 2024	Stockholders
09:45 – 10:05 AM	Chief Financial Officer’s Report	Dir. B. Grant L. Cheng
10:05 – 10:25 AM	Chief Operating Officer’s Report	Dir. J. Franco B. Soberano
10:25 – 10:45 AM	Chairman’s Report	Dir. Jose R. Soberano
10:45 – 10:50 AM	Approval of the 2024 Audited Financial Statements	Dir. B. Grant L. Cheng
10:50 – 10:55 AM	Appointment of the Company’s External Auditor for 2025	Dir. B. Grant L. Cheng
10:55 – 11:05 AM	Election of the Members of the Board of Directors	Dir. Rufino Luis T. Manotok
11:05 – 11:10 AM	Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 4 June 2024 up to 11 July 2025	Stockholders
11:10 – 11:20 AM	Amendment of the Company’s By-Laws to Move the Date of the Annual Stockholders’ Meeting Dates from the 1st Friday of July of each year to on or before the second week of June	Stockholders
11:20 – 11:30 AM	Other Business	Chairman / Stockholders
11:30 – 12:00 AM	Adjournment	Chairman

ANNEX “B”

PROXY FORM (for Individual Stockholder)

I/We, _____, Filipino/s, of legal age, (single / married / widow), and a resident of _____, do hereby constitute and appoint _____, who is also of legal age, Filipino, (single / married / widow), and a resident of _____, to represent me/us and vote _____ (_____) of my/our shares of the capital stock appearing in my/our name/s at the Annual Stockholders’ Meeting of Cebu Landmasters, Inc. to be held on 11 July 2025.

In the absence of my/our above proxy, please count my/our votes for the following items in the Agenda:

1. Approval of Minutes of the Annual Stockholders’ Meeting held on 04 June 2024
 Yes No Abstain
2. Chief Financial Officer’s Report
 Yes No Abstain
3. Chief Operating Officer’s Report
 Yes No Abstain
4. Chairman’s Report
 Yes No Abstain
5. Approval of the 2024 Audited Financial Statements
 Yes No Abstain
6. Appointment of Punonbayan & Araullo as the Company’s External Auditor for 2025
 Yes No Abstain
7. Election of the Members of the Board of Directors
 Equally to all eleven (11) nominees for directors;
 Abstain for all eleven (11) nominees for directors;
 Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee in the table below:*

NAME OF NOMINEE	NO. OF SHARES	
	YES	ABSTAIN
Jose R. Soberano III		
Ma. Rosario B. Soberano		
Jose Franco B. Soberano		
Beauregard Grant L. Cheng		
Joanna Marie S. Bergundthal		
Rufino Luis T. Manotok <i>(Independent Director)</i>		
Ma. Aurora D. Geotina-Garcia <i>(Independent Director)</i>		
Ma. Jasmine S. Oporto		

(Independent Director)		
Stephen A. Tan (Non-Executive Director)		
Dr. Winston Conrad B. Padojinog (Independent Director)		
Eugene S. Acevedo (Independent Director)		
TOTAL		

8. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 04 June 2024 up to 11 July 2025

Yes No Abstain

9. Amendment of the Company's By-Laws to Move the Date of the Annual Stockholders' Meetings from the 1st Friday of July of each year to on or before the second week of June

Yes No Abstain

10. Other Matters

Yes No Abstain

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this _____ at the City of _____, Philippines.

STOCKHOLDER/S

Accepted by:

Name of Proxy

ACKNOWLEDGMENT

BEFORE ME, a notary public for and in the City/Province of _____, this _____ personally appeared the abovenamed parties with their government-issued IDs to wit:

Stockholder	_____	Valid Until: _____
Stockholder	_____	Valid Until: _____
Proxy	_____	Valid Until: _____

and by virtue thereof I sufficiently identified them to be the same persons who signed the above *Proxy Form*, consisting of two (2) pages including this *Acknowledgment* page, and they declared and acknowledged to me that they signed the said instrument for the purposes stated therein and that the same is their free and voluntary act and deed.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;
Page No.: _____;
Book No.: _____;
Series of 2025.

REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 04 JULY 2025 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE REGULAR STOCKHOLDERS MEETING.

ANNEX “C”

PROXY FORM (for Corporate Stockholder)

I, _____, Filipino, of legal age, with office address at _____, after being duly sworn in accordance with law, do hereby depose and state THAT:

1. I am the duly elected and incumbent Corporate Secretary of _____ (the “Corporation”), a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal address at _____;

2. According to corporate records, at the regular/special meeting of the Board of Directors of the Corporation held on _____, with prior notice given to all directors and duly called for the purpose at which a quorum was present, the following resolutions were duly approved:

“BE IT RESOLVED, as it is hereby RESOLVED –

1. That the Board authorize _____, to be the Corporation’s authorized proxy to attend all meetings of the stockholders of Cebu Landmasters, Inc., whether regular or special, with full authority to vote the shares of the Corporation and to act upon all matters and resolutions that may come before or presented during the said meetings, in the name, place and stead of the Corporation;

2. RESOLVED FURTHER, that in the absence of the above authorized officer of the Corporation during the actual stockholders of Cebu Landmasters, Inc., the following shares of the Corporation shall be voted and counted for the following items in the Agenda:

1. Approval of Minutes of the Annual Stockholders’ Meeting held on 04 June 2024

Yes No Abstain

2. Chief Financial Officer’s Report

Yes No Abstain

3. Chief Operating Officer’s Report

Yes No Abstain

4. Chairman’s Report

Yes No Abstain

5. Approval of the 2024 Audited Financial Statements

Yes No Abstain

6. Appointment of Punonbayan & Araullo as the Company’s External Auditor for 2025

Yes No Abstain

7. Election of the Members of the Board of Directors

- Equally to all eleven (11) nominees for directors;
- Abstain for all eleven (11) nominees for directors;
- Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee in the table below:*

NAME OF NOMINEE	NO. OF SHARES	
	YES	ABSTAIN
Jose R. Soberano III		
Ma. Rosario B. Soberano		
Jose Franco B. Soberano		

Beauregard Grant L. Cheng		
Joanna Marie S. Bergundthal		
Rufino Luis T. Manotok <i>(Independent Director)</i>		
Ma. Aurora D. Geotina-Garcia <i>(Independent Director)</i>		
Ma. Jasmine S. Oporto <i>(Independent Director)</i>		
Stephen A. Tan <i>(Non-Executive Director)</i>		
Dr. Winston Conrad B. Padojinog <i>(Independent Director)</i>		
Eugene S. Acevedo <i>(Independent Director)</i>		
TOTAL		

8. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 04 June 2024 up to 11 July 2025

Yes No Abstain

9. Amendment of the Company's By-Laws to Move the Date of the Annual Stockholders' Meetings from the 1st Friday of July of each year to on or before the second week of June

Yes No Abstain

10. Other Matters

Yes No Abstain

3. I attest to the truth of the foregoing and issue this certification for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ in _____, Philippines.

Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ at _____, Philippines, abovenamed Affiant who presented to me his/her government-issued ID: _____ and by virtue thereof I sufficiently identified him/her to be the same person who signed the foregoing *Proxy Form* in my presence and swore as to said document that he/she understood the contents thereof and that the same is his/her free and voluntary act and deed as well as the corporation represented therein.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;
Page No.: _____;
Book No.: _____;
Series of 2025.

REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 04 JULY 2025 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE REGULAR STOCKHOLDERS' MEETING.

ANNEX “D”

BALLOT

Name : _____
Principal’s Name : _____ (if proxy)
Number of Shares : _____ (to be verified by CLI)

Agenda Items for Approval by Stockholder

1. Approval of Minutes of the Annual Stockholders’ Meeting held on 04 June 2024
 Yes No Abstain
2. Chief Financial Officer’s Report
 Yes No Abstain
3. Chief Operating Officer’s Report
 Yes No Abstain
4. Chairman’s Report
 Yes No Abstain
5. Approval of the 2024 Audited Financial Statements
 Yes No Abstain
6. Appointment of Punonbayan & Araullo as the Company’s External Auditor for 2025
 Yes No Abstain
7. Election of the Members of the Board of Directors
 Equally to all eleven (11) nominees for directors;
 Abstain for all eleven (11) nominees for directors;
 Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee in the table below:*

NAME OF NOMINEE	NO. OF SHARES	
	YES	ABSTAIN
Jose R. Soberano III		
Ma. Rosario B. Soberano		
Jose Franco B. Soberano		
Beauregard Grant L. Cheng		
Joanna Marie S. Bergundthal		
Rufino Luis T. Manotok <i>(Independent Director)</i>		
Ma. Aurora D. Geotina-Garcia <i>(Independent Director)</i>		
Ma. Jasmine S. Oporto <i>(Independent Director)</i>		
Stephen A. Tan		

<i>(Non-Executive Director)</i>		
Dr. Winston Conrad B. Padojinog <i>(Independent Director)</i>		
Eugene S. Acevedo <i>(Independent Director)</i>		
TOTAL		

8. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers, and Management from 04 June 2024 up to 11 July 2025

Yes No Abstain

9. Amendment of the Company's By-Laws to Move the Date of the Annual Stockholders' Meetings from the 1st Friday of July of each year to on or before the second week of June

Yes No Abstain

10. Other Matters

Yes No Abstain

Stockholder's signature



NOTICE OF MEETING

Dear CLI Stockholders,

You are hereby notified that **CEBU LANDMASTERS, INC. ("CLI")** is holding its regular Annual Stockholders Meeting ("ASM") on 11 July 2025 (Friday) starting at 9:30 in the morning. You have the option to join remotely via Zoom or in person at Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines.

CLI is notifying its stockholders about the ASM via the alternative mode allowed by the Securities and Exchange Commission in its resolution from its meeting dated 9 April 2025. As such, this Notice of Meeting is published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days, with the last publication made no later than twenty-one (21) days prior to the scheduled ASM.

If you intend to join, please ensure you remain a CLI stockholder as of 16 May 2025, the record date for this meeting. Also, on this day, you may start sending your proxy forms and ballots to the Secretariat, which will continue to receive and validate them until 04 July 2025.

You may download the Definitive Information Statements, agenda, proxy forms, ballots, and other related materials for the meeting at: <https://cebulandmasters.com/investor-relations/stockholders-meeting>

We will endeavor to send you the Zoom log-in details and dial-in numbers within a few days after validation of your proxy forms and ballots sent either to legal.department@cebulandmasters.com or my office address below.

Very truly yours,


Atty. Larri-Nil G. Veloso
Assistant Corporate Secretary
10th Floor, Park Centrale Tower,
Jose Ma. del Mar St., Cebu I.T. Park,
Brgy. Apas, Cebu City, Philippines
E-mail: larri_nil@cebulandmasters.com
Phone: +6332 231.4914 loc. 128

ANNEX “F”

MANAGEMENT REPORT

Management’s Discussion, Analysis and Plan of Operation

OVERVIEW

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

As of March 31, 2025, CLI has a total of 126 projects in different development stages and established a diverse portfolio of residences, offices, hotels, mixed-use properties, and townships across 17 key cities in the VisMin region.

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

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

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

COMPANY MILESTONES FOR THE PERIOD ENDED MARCH 21, 2025

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

In the same period, CLI launched One Manresa Place, its pioneering residential development within the 14.6-hectare Manresa Town in Cagayan de Oro. The project generated PHP 4 billion in sales within two days of launch and reached PHP 5 billion within two weeks. With nearly 90% of its 940 units sold shortly after launch, the development highlights robust demand in Northern Mindanao and features sustainable design with more than 63% open space.

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

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

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to March 1, 2025 vs January 1 to March 31, 2024

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

REVENUES

Real estate sales

Real estate sales recorded a 3% year-over-year increase in revenue to ₱6.32 billion from ₱6.15 billion. A key contributor to this growth is the lot sale and higher construction progress with more units that qualified for revenue recognition.

In terms of location, Cebu still is the strongest contributor of revenue which accounted for 50% of its overall figure. Mindanao and Visayas (ex-Cebu) contributed 29% and 18%, respectively. The increase in share in revenue outside Cebu were driven by new projects such as Velmiro Heights Davao, Casa Mira Homes Davao, Mindara Residences, East Village Residences, Casa Mira Towers Bacolod, Casa Mira Towers Palawan and Costa Mira Beach Panglao.

Revenue per Market segment reported the following performance:

Premier Masters (Premier market) reported revenue of ₱675 million, reflecting a decrease of 42% year-on-year from ₱1.16 billion. This decrease can be attributed to significant revenue qualifications in the previous year related to Costa Mira Bechtown Mactan, One Paragon Place, and One Astra, which are scheduled for turnover this year.

Garden Series (Mid-market), posted a revenue of ₱2.44 billion from ₱1.90 billion. The 28% growth was driven by The East Village, CLI's first residential project within the Davao Global Township (DGT), along with the addition of new towers and Mandtra Residences.

Casa Mira Series (Economic market) generated revenue from ₱2.99 billion to ₱1.99 billion, reflecting a significant decrease of 47%. This decline is primarily due to substantial revenue recognitions in the previous year from Casa Mira Homes Davao, Casa Mira Homes Ormoc, and Casa Mira Towers Palawan.

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

Leasing

The company experienced a significant growth in rental revenues, reaching ₱52.73 million, representing a 56% year-on-year increase from ₱33.83 million. This growth can be attributed primarily to new retail tenants and increased occupancy revenue from already completed projects. Notably, CLI has substantially expanded its Gross Leasable Area to 40,575 square meters, marking a notable 13% rise from the previous quarter's 35,772 square meters. This expansion is a direct result of the successful completion and turnover of Banilad Highstreet and Drive-Thru spaces in Davao Global Township, currently boasting full lease rates of 100%. Additionally, the completion of DGT Pavilion and DGT Retail Pads has contributed an additional GLA of over 4,000 sq.m. These developments stand as pivotal contributors to CLI's upward trajectory and burgeoning success in the market.

Hotel operations

The strengthening of the hospitality industry in VisMin presents a significant opportunity for CLI. CLI is effectively tapping into this growth as it expands its footprint in the VisMin tourism industry with the opening of the 200-room Citadines Bacolod City. The company's first hotel outside Cebu City and the largest international hotel in Bacolod.

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

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

Management Fee

This included the project management fee that CLI charges for being the project manager on joint venture projects and the property management fee for CLI Property Management (CLIPMI) services provided to CLI's completed projects. During the year, the parent company's project management revenue reached ₱25.95 Million, these are fees charged to CLI's joint venture companies for managing the development of the project.

COST AND EXPENSES

Cost of sales and services

In line with the growth in revenue performance, the company's cost of sales for the three months ending March 31, 2025, was reported at ₱2.98 billion, 4% year-over-year decrease from ₱3.11 billion of the same period last year.

Operating Expenses

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

In October 7, 2022, CLI listed its first tranche of ₱15 billion bonds worth ₱5 Billion with the following tenors:

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

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

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

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

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

NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)

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

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

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

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

ASSETS

152% increase in Cash and cash equivalents

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

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

Increased from ₱4.61 billion to ₱10.14 billion is attributable to several real estate projects that reached 100% completion as at the end of the interim period. Under the Company's policy, contract receivables are recognized or reclassified from contract assets, when the performance obligation is satisfied, and the entity has an unconditional right to payment, meaning the percentage of completion of the project is at 100%.

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

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

17% decrease in Real Estate Inventories

from ₱13.08 billion to ₱10.91 billion mainly due to more inventory being sold and also a decrease in land development cost & raw land book value stemming from the application of PFRS 15 where capitalized interest is reversed on these items.

0% increase in Noncurrent Asset held for sale

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

0% increase in Investment in Joint Ventures and Associates

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

1% increase in Due from related parties

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

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

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

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

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

2% decrease in Other Non-current assets

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

LIABILITIES

4% increase in Interest-bearing loans and borrowings (including non-current portion)

from ₱49.58 billion to ₱51.47 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

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

216% decrease in Contract liabilities from ₱386.49 million to ₱534.51 million mostly due to an increase in collections from buyers, but also due to the application of PFRS 15 where implied interest of collections is separated.

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

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

EQUITY

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

I. KEY PERFORMANCE INDICATORS

The Cebu Landmasters Inc. (CLI or the "Company") uses a range of financial and operational key performance indicators ("KPIs") to help measure and manage its performance. These KPIs reflect the Company's continuous focus on efficiency, cost control and profitability across all its operations. Management considers the following as KPIs:

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

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

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

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

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

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

KPIS SUBJECT OF LOAN COVENANTS

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

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

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

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

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

I. OTHER INFORMATION

ITEM 1 1st QUARTER 2025 DEVELOPMENTS

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

B. Composition of Board of Directors

Name	Position
Jose R. Soberano III	Chairman of the Board, CEO and President
Ma. Rosario B. Soberano	Director, Treasurer and Executive Vice-President
Jose Franco B. Soberano	Director, Chief Operating Officer and Executive Vice-President

Joanna Marie B. Soberano-Bergundthal	Director, Vice President for Marketing, Assistant Treasurer
Beauregard Grant L. Cheng	Director, Chief Financial Officer
Stephen A. Tan	Non-Executive Director
Rufino Luis Manotok	Independent Director
Ma. Aurora D. Geotina-Garcia	Independent Director
Atty. Ma. Jasmine S. Oporto	Independent Director

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

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

D. Declaration of Dividends.

On March 17, 2025, the BOD approved the declaration of regular cash dividends amounting to P0.15 per share and special cash dividends amounting to P0.03 per share with record date on April 11, 2025 which was paid on April 16, 2025.

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

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

Entity	Effective Percentage of Ownership	
	2025	2024
<i>Subsidiaries</i>		
(1) A.S. Fortuna Property Ventures, Inc. ("ASF")	100	100
(2) CLI Hotels and Resorts, Inc. ("CHR")	100	100
(3) CLI Premier Hotels Intl. Inc. ("CPH")	100	100
(4) Cebu Landmasters Property Management, Inc. ("CLPM")	100	100
(5) CLI-LITE Panglao Inc. ("CLI-LITE")	88	88
(6) BL CBP Ventures, Inc. ("BL Ventures")	50	50
(7) Yuson Excellence Soberano, Inc. ("YES")	50	50
(8) Yuson Huang Excellence Soberano, Inc. ("YHES")	50	50
(9) YHEST Realty and Development Corporation ("YHEST")	50	50
(10) CCLI Premier Hotels, Inc. ("CCLI")	50	50
(11) YHES Premier Hotel Inc. ("YHESPH")	50	50
(12) Mivesa Garden Residences, Inc. ("MGR")	45	45
(13) El Camino Developers Cebu, Inc. ("El Camino")	35	35
(14) Cebu Homegrown Developers, Inc. ("CHDI")	50	50
(15) Cebu BL-Ramos Ventures, Inc. ("CBLRV")	50	50
(16) Ming-Mori Development Corporation ("MMDC")	78	78
(17) GGTT Realty Corporation ("GGTT")	50	50
(18) Sugbo Prime Estate, Inc. ("SPE")	64	64
(19) CLI Mac Developers, Inc. ("CLI Mac")	60	0
(20) Cebu Luzon Ventures, Inc. ("CLVI")	100	0
Entity	Effective Percentage of Ownership	
	2025	2024
<i>Associates</i>		
(19) Magspeak Nature Park, Inc. ("Magspeak")	25	25
(20) Icom Air Corporation ("ICOM")	33	33

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

ASF was incorporated as a JV on March 9, 2017 to facilitate the acquisition of a 9,989-sq.m. property along AS Fortuna Avenue for the development of the Astra Center Mandaue, a mixed-use development in the AS Fortuna Mandaue area that will house a hotel, residential, and office development and a boutique mall. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary as of December 31, 2017. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.

CHR was incorporated on August 4, 2022 as a wholly-owned subsidiary of CLI and is engaged to run and manage the Group’s various hotel projects. Its principal place of business is located in Cebu City.

CPH, a wholly owned subsidiary of the Company, was incorporated on August 26, 2016 to take charge of Citadines Cebu City and the Company’s future hotel developments. The commercial operations started on September 14, 2019. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.

CLPM, a wholly owned subsidiary of the Company, was incorporated on April 20, 2017, to provide property management services initially to housing and condominium projects developed by the Company. It is envisioned to eventually offer and expand its services to outside clients. CLPM started commercial operations on September 1, 2017. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.

CLI-LITE was incorporated on July 19, 2021, as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.

BL Ventures was incorporated on February 3, 2016, to develop Latitude Corporate Center, a 24 storey office development at the Cebu Business Park. BL Ventures was a JV of the Company and Borromeo Bros, Inc. Its principal office address is at AB Soberano Bldg., Salvador Ext., Labangon, Cebu City.

YES was incorporated on December 15, 2016 to mark the Company’s entry into the Davao market. It is a JV between the Company and Yuson Comm. Investments Inc. to undertake the development of MesaTierra Garden Residences, a 21-storey residential condominium, and two other mixed-use projects in Davao City. It will also engage in real estate brokering to facilitate the marketing and sale of the JV developments in Davao. Its principal office address is at Suite A, 204 Plaza De Luisa Complex, 140 R. Magsaysay Ave., Davao City.

YHES was incorporated on November 10, 2017, to develop the Paragon Davao, a 1.9-ha property in Riverside Davao. The development will become a mixed-use real estate which will include a residential, retail, hotel, and convention center. YHES Inc., is a JV of CLI, Yuson Strategic Holdings Inc., and Davao Filandia Realty Corp. Its principal office is located at MesaTierra Garden Residences Showroom, E. Quirino Avenue, Davao City.

YHEST was incorporated on August 10, 2018 to develop the Davao Global Township. It is a JV between CLI, Yuson Strategic Holdings Inc., Davao Filandia Realty Corp., Plaza De Luisa Development Inc., Yuson Newtown Corp., and Davao Primeland Properties Corp. Its principal address is at MesaTierra Garden Residences Showroom, E. Quirino Avenue, Davao City.

CCLI was incorporated on November 12, 2018, as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. The Citadines hotel is planned to be managed by Ascott. The principal place of business of CCLI is located at the 2nd floor MesaVirre showroom in Bacolod City.

YHESPH was incorporated on October 28, 2019, as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. YHESPH has not yet started its commercial operations.

MGR was incorporated on March 13, 2017 to develop Towers 6 and 7 (Phase 3) of Mivesa Garden Residences, a real property development project located on a 3,000-sq.m. property to be registered in the Company's name. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. del Mar St., Cebu IT Park, Brgy. Apas, Cebu City. CLI holds a 45% stake in MGR.

EL Camino was incorporated on August 15, 2016, to develop a 1.17-ha. property inside the Cebu IT Park, and to construct (1) 38 Park Avenue at the Cebu IT Park, a 38-storey high-end residential condominium, and (2) Park Avenue Corporate Center, a Grade A office building with over 20,000 sq.m. of leasable area. Its principal office address is at Base Line Center, Juana Osmeña St., Brgy. Kamputhaw, Cebu City. The Company has a 35% stake in El Camino.

CHDI, a JV of Aboitizland and CLI, was recently incorporated on December 5, 2019 to develop a high-rise mixed-use condominium complex, with sellable and leasable units, in a 12,405 sq.m. lot area in Mandaue City, Cebu. The Company has a 50% stake in Aboitiz CLI Cebu Developers, Inc.

CBLRV was incorporated on February 21, 2020, as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business is located in Cebu City.

MMDC was incorporated on August 1, 2013, to undertake and execute land reclamation projects, submit bids, and accept awards for reclamation projects, and manage, hold, and sell reclaimed land and other real property. MMDC is the private consortium that has proposed to undertake the Ming-Mori Reclamation Project of the Municipality of Minglanilla, which involves the development of the Minglanilla TechnoBusiness Hub, a 100-ha. techno-business park in the progressive town of Minglanilla, a mere 30 minutes away from Cebu City. The Company has increased its stake to 78% from 20% in MMDC in 2021. This transaction enabled CLI to become the project manager and principal developer of the reclamation project.

GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City. On June 16, 2020, CLI acquired 50% ownership in GGTT to obtain a controlling interest in the company, however, the transaction was accounted for by the Group as an asset acquisition as discussed in Note 7 in the Audited Financial Statements. During the first quarter of 2021, GGTT started commercial operations, and is now considered as a subsidiary of CLI.

SPE was formed in 2019 as a one-person corporation and was converted into an ordinary stock corporation ("OSC") after entering into a JV with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is in Cebu City.

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

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

Magspeak was incorporated on October 21, 2011, to acquire, lease and develop lands into nature and eco-tourism parks in Balamban Cebu, and to manage, and operate the same. CLI holds a 25% stake in Magspeak.

ICOM was incorporated in December 2020 as an undertaking of CLI and various individual stockholders to import aircraft(s) and operate a transportation business in the Philippines. ICOM's principal place of business is located in Iloilo City.

IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is also located in Iloilo City.

CLI NUD was incorporated on April 5, 2024 as an undertaking among CLI and NTTUDA for the development of a condominium project in Cebu City. The principal place of business is located at Cebu City. Despite CLI's legal ownership of 60% of CLI NUD, CLI NUD was accounted under equity method because half of its ownership in CLI NUD is classified as held for sale.[1] The 30% will be sold to another purely Filipino entity. Legal control of CLI NUD remains with CLI. While the other shareholder does not exercise control over CLI NUD, it retains approval rights over certain corporate actions.

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

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

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

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

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

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

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

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

Not Applicable

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

None

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

None

III. OTHER NOTES FOR THE FIRST QUARTER OF 2025 OPERATIONS AND FINANCIALS

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

None

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

None

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

None

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

See Notes to Financial Statements and Management Discussion and Analysis.

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

None

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

None

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

None

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

None

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

None

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

None.

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

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

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

None

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

None

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

None

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

None

Y. Disclosures not made under SEC Form 17C

None

COMPANY MILESTONES FOR THE PERIOD ENDED DECEMBER 31, 2024

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

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

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

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

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

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

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

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

Celebrating Masterful Project Excellence

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

Affordable Condo Architectural Design, and Mirani Steps Danao, lauded as the Best Affordable Condo Development in Metro Cebu.

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

A Customer-Centric & Community-Focused Organization

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

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

REVIEW ON THE COMPANY'S RESULTS OF OPERATION January 1 to December 31, 2024 vs January 1 to December 31, 2023

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

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

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

REVENUES

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

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

Revenue per market segment reported the following performance:

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

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

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

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

Leasing

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

Hotel operations

The continued recovery of the hospitality sector in the Visayas and Mindanao (VisMin) regions provided opportunities for Cebu Landmasters, Inc. (CLI) to expand its presence in this segment. In 2024, CLI commenced operations of three additional hospitality assets: lyf Cebu City at Base Line Center, The Pad Co-Living in Banilad High Street, and Citadines Bacolod City.

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

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

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

Management Fee

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

COST AND EXPENSES

COST OF SALES AND SERVICES

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

OPERATING EXPENSES

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

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

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

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

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

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

NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)

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

ADOPTION OF PFRS 15

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

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

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

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

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

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

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

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

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

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

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

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

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

ASSETS

73% increase in Cash and cash equivalents

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

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

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

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

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

23% decrease in Real Estate Inventories

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

100% increase in Noncurrent Asset held for sale

The 100% increase is attributed to CLI's intention to sell its 30% stake in CLI NUD, valued at ₱237,832,343 and is presented as a Non-current Asset Held for Sale in the 2024 condensed interim

financial statements. The sale is expected to be in the second half of 2025. CLI NUD's assets are under the reportable segment of real estate.

451% increase in Investment in Joint Ventures and Associates from ₱142.49 million to ₱784.89 million significantly due to additional investments, primarily driven by additional investments in CLI NUD, with the intent to sell its 30% stake in the second half of 2025.

10% increase in Due from related parties Due to transactions paid by CLI (Parent) on behalf of its related parties from ₱48.60 million to ₱53.43 million.

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

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

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

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

30% decrease in Non-current assets from ₱1.79 billion to ₱1.25 billion due to commissions paid in advance for future periods are now moving into the current period (increased current prepaid commissions).

LIABILITIES

5% increase in Interest-bearing loans and borrowings (including non-current portion) from ₱47.14 billion to ₱49.58 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

6% decrease in Trade payables (including non-current portion) from ₱22.97 billion to ₱21.63 billion due to accruals made on unbilled costs to match with revenue recognized.

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

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

15% increased Deferred tax liabilities - net from ₱5.02 billion to ₱5.75 billion due to additional accrual of Net Profit in 2024 recognized tax liability on taxable temporary differences.

EQUITY

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

COMPANY MILESTONES FOR THE PERIOD ENDED DECEMBER 31, 2023

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

continued high demand for the established Casa Mira brand, propelled CLI to achieve a record-breaking sales of ₱20.6 billion, up by 14% versus the same period in 2022.

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

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

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

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

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

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

Furthermore, BCI Asia Philippines once again recognized the Company as one of the Top 10 Developers in the Philippines for 2023, making this the sixth year in a row that it has won. This acknowledgment reinforces the Company's dedication to delivering creative and sustainable developments.

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

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

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

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

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

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

REVENUES

Real estate sales

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

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

Revenue per Market segment reported the following performance:

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

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

Casa Mira Series (Economic market) reported a stable revenue of ₱8.13 billion, driven by Casa Mira Towers Bacolod T1-T2, Casa Mira South Ph3A2, Casa Mira Homes Davao, Casa Mira Towers Guadalupe T3, Casa Mira Homes Ormoc, Casa Mira Homes Danao and Casa Mira Towers Palawan.

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

Leasing

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

Hotel operations

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

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

Property Management

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

COST OF SALES AND SERVICES

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

OPERATING EXPENSES

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

The Company carefully balanced its debt mix of 65% fixed and 35% floating rates. Due to this, CLI is able to maintain its competitive rate of 6.36% despite an increase in benchmark rates. The stated rate, while being higher than the previous year, is nonetheless competitive when compared to current capital raising rates charged in the sector.

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

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

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

NIAT ATTRIBUTABLE TO NCI

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

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2023 vs December 31, 2022

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

ASSETS

36% decrease in Cash and Cash equivalents

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

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

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

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

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

1% decrease in Real Estate Inventory

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

88% decrease in Deposit on Land for Future Development

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

36% increase in Due from Related Parties

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

30% increase in Prepayments and Other Current Assets

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

50% increase in Property and Equipment

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

3% decrease in Right of Use Asset

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

3% increase in Investment Properties

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

176% increase in Other Non-Current Assets

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

LIABILITIES

18% increase in Interest-Bearing Loans and Borrowings (including Non-Current Portion) Increased to ₱47.14 billion from ₱39.99 billion due to new availments from project term loans.

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

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

25% decrease in Contract Liabilities

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

39% decrease in Income Tax Payable

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

46% increase in Deferred Tax Liabilities - Net

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

EQUITY

9% increase in Parent Company's Retained Earnings

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

2022 COMPANY MILESTONES

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

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

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

- a. Astra Corporate Center
- b. Casa Mira Dumaguete Ph2
- c. The East Village T1
- d. The East Village T2
- e. The East Village T3
- f. Velmiro Bohol Expansion Ph2

- g. Casa Mira South 4B.2
- h. The East Village T4
- i. DGT Lots Only
- j. Casa Mira Towers Palawan Ph1 (T1-T2)
- k. Ramos Tower at Calle 104
- l. The Ranudo Tower at Calle 104
- m. Casa Mira Homes | Danao
- n. Costa Mira Bohol
- o. Casa Mira Towers Bacolod T3
- p. Casa Mira Towers Palawan T3

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

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

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

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

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

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

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

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

Also in June 2022, during its 2022 Annual Stockholders Meeting, the Company set out its expansion plans, among the focal points are three townships now under development. On the road to creating a critical mass of residents is the 22-ha. DGT sold out in four days the first three towers of its first residential project The East Village at DGT. This prompted the launch of the fourth tower. Planning and development are likewise underway on the 14.3-ha. property in Cagayan de Oro acquired from Xavier University and envisioned to be a mixed-use university town. Reclamation works have also begun on the 100-ha. Minglanilla Techno Business Park in Cebu which is envisioned to be a regional growth center.

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

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

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

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

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

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

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

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

On September 22, 2022, CLI finalized the issue size of its maiden fixed rate Bonds offering, with an aggregate principal amount of ₱5.00 billion across three tenors. This initial issuance is the first from CLI’s shelf registration of a ₱15.00 billion debt securities program to be utilized within three years. In a strong show of confidence in CLI, the Company’s maiden retail bonds received strong demand from both institutional and retail investors, even as CLI priced at the lowest end of the initial spread range. Interest rates have been set for the 3.5Y Series A at 6.4222%, for the 5.5Y Series B at 6.9884%, and for the 7Y Series C at 7.3649%. The Company received its Permit to Sell from the SEC for its maiden retail bond Issuance on September 27, 2022.

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

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

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

List of Winners:

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

Highly Recommended:

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

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

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

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

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

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

FY 2022 vs FY 2021

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

REVENUES

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

Real estate sales

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

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

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

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

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

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

increase in real estate revenue due as construction is now in full swing in the various development sites of the company.

Hotel operations

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

Leasing

CLI's rental revenues improved by 7% posting ₱79.28 million in 2022 from ₱74.27 million in 2021. Growth driven by increased lease contracts and new tenants in the newly completed Latitude Corporate Center. GLA decreased to 29,085 sq.m. from 29,133 sq.m due to conversion to office space (CLI's office expansion). As of December 31, 2022, rental occupancy rate is at 48%, an increase from 41% as of December 31, 2021.

Property Management

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

COST OF SALES AND SERVICES

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

OPERATING EXPENSES

Total operating expenses during the year amounted to ₱2.37 billion, a 21% y-o-y increase from ₱1.95 billion mainly due to the increase in accounted commissions and incentives to ₱847.16 million caused by the implementation of PFRS 15, which required the accrual of the said commissions and incentives. Salaries and employee benefits also grew by 20% to ₱532.69 million which aligns with the increase in the Group's manpower to 801 employees from 691 employees to support CLI's expansions across VisMin. During the year, the Company also spent ₱122.00 million in costs attributable to the purchase of the 17 hectares expansion site in Butuan.

INTEREST EXPENSE

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

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2022 vs December 31, 2021

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

ASSETS

31% increase in Cash and Cash equivalents

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

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

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

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

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

8% decrease in Real Estate Inventory

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

100% increase in Deposits on Land for Future Development (including Non-Current Portion) Increased to ₱130.00 million and none from 2021 since fully paid land purchases were reclassified to raw land inventory amounting to ₱1.08 billion.

38% decrease in Due from Related Parties

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

21% increase in Prepayments and Other Current Assets

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

1% decrease in Investments in Associates

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

426% increase in Property and Equipment – Net

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

34% increase in Investment Properties – Net

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

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

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

LIABILITIES

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

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

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

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

68% increase in Deferred Tax Liabilities

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

EQUITY

0% increase in Additional Paid-In Capital

Increase of ₱2.00 million due to the exercise of ESOP, the Company issued 3,349,470 common shares with a par value of ₱1.00 or ₱3,349,470 to its qualified employees out of its treasury shares and recognized an additional paid-in capital amounting to ₱18.32 million from the transaction.

2% decrease in Treasury Shares

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

3% Increase in Revaluation Reserves

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

5% increase in NCI

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

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

FY 2020 vs. FY 2019

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

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

REVENUES

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

Real estate sales

Revenue from sale of real estate reached ₱8.15 billion, a 3% y-o-y slight decline from ₱8.39 billion in 2019, driven by Garden Series (36%), followed by Casa Mira Series (32%) and Premier Masters (27%). In the same period of 2019, Garden Series generated 37% of the total revenues, followed by Casa Mira (30%) and Premier Masters (30%). In terms of location, CLI's presence in Cebu remains strong, representing 52% of the total revenues, followed by CDO (16%) and Bacolod (11%), for both periods ending December 31, 2020.

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

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

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

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

Hotel operations

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

Leasing

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

Property Management

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

COST OF SALES

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

OPERATING EXPENSES

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

INTEREST EXPENSE

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

OTHER INCOME/ EXPENSE

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

NIAT ATTRIBUTABLE TO NCI

For the period ended December 31, 2020, NIAT attributable to NCI stood at ₱229.61 million, 46% y-o-y decline from ₱425.65 million, due to the minimal incremental sales and POC on existing JV projects due to the completion and ongoing turn-over of Mivesa Garden Residences Phase 3 (MGR) and Latitude Corporate Center (BLCBP).

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

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2020, CLI's consolidated assets reported a 31% y-o-y growth to ₱50.09 billion from ₱38.28 billion driven by the increase in contract assets and investment properties.

ASSETS

13% decrease in Cash and Cash Equivalents

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

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

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

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

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

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

Decreased to ₱699.77 million from ₱1.29 billion as fully paid land purchases were reclassified to raw land inventory. Additional deposits on land for the year amount to ₱868.10 million.

42% increase in Real Estate Inventory

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

121% increase in Due from Related Parties

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

33% increase in Prepayments and Other Current Assets

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

693% increase in Investment in Associates

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

81% increase in Property and Equipment – Net

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

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

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

13% increase in Investment Properties – Net

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

162% increase in Other Non-Current Assets

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

LIABILITIES

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

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

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

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

27% increase in Contract Liabilities

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

495% Increase in Lease Liabilities

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

50% increase in Deferred Tax Liabilities

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

EQUITY

196% increase in Treasury Shares

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

96% increase in Revaluation Reserves

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

31% increase in Retained Earnings

Due to the Net income recognized during the period.

14% increase in NCI

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

FY 2019 vs. FY 2018

CLI posted a consolidated NIAT growth of 12%, from ₱2.17 billion to ₱2.44 billion. CLI's NIAT likewise increased to ₱2.01 billion, solid earnings growth of 17% y-o-y as compared to the ₱1.67 billion in 2018. The favorable result is driven from the construction progress of the following ongoing projects: MesaVirre Garden Residences in Bacolod, Velmiro Uptown in CDO, 38 Park Avenue and Casa Mira South in Cebu, and MesaTierra Garden Residences in Davao.

For 2019, CLI registered an EPS of ₱1.21 per share, a notable 23% increase from the ₱0.98 EPS in 2018.

REVENUES

For the period ending December 31, 2019, total consolidated revenues reached ₱8.50 billion, 26% higher than from ₱6.76 billion reported y-o-y. The growth was mainly driven by its Garden Series, a mid-market segment, representing 37% of revenue, 30% for Premier Masters, a high-end segment, and 30% for Casa Mira, an economic housing segment. In 2018, Garden series represented 45% of the total revenue, 28% from Casa Mira Series and 19% from Premier Masters.

In 2019, 38 Park Avenue, a high-end segment project in Cebu, posted the highest revenue growth in 2019, followed by Casa Mira South, an economic housing project, and MesaVirre Garden Residences and Velmiro Uptown CDO, both mid-market projects.

In terms of location, the CLI's real estate revenue presence in Cebu remains strong representing 56% of the total revenues, followed by CDO's revenue of 14% and Bacolod of 12%. In 2018, Cebu's real estate revenue generated 64% of the total revenues, while Davao and CDO posted significant contributions of 12% and 11%, respectively. The Company expects to grow the revenue contribution of its expansion areas such as Iloilo, Davao, Bohol, and Puerto Princesa in 2020.

The rental revenue grew by 10% y-o-y to ₱63.16 million from ₱57.48 million. This was attributable to the Company's 60% increase in GLA to 14,296 sq.m. with the recent turnover of Base Line Retail (5,216 sq.m. GLA), Base Line HQ (1,721 sq.m. GLA) and Casa Mira Towers Labangon (1,124 sq.m. GLA) in Cebu.

COST OF SALES

CLI reported a total cost of sales of ₱4.30 billion in 2019, a 37% y-o-y increase from the prior year of ₱3.14 billion. The increase was in line with the growth of the Company's revenue.

OPERATING EXPENSES

Total operating expenses for the year amounted to ₱1.15 billion, a 28% increase from ₱893.89 million in 2018 to support the Company's expansion. The increase was primarily attributed to higher commissions and incentives and transfer taxes which resulted from the stronger sales performance as 13 projects were launched during the year. Salaries and employee benefits posted 40% growth due to increased manpower to support the CLI's increase in operations.

INTEREST EXPENSES

Borrowing costs, both booked as cost of real estate sale and outright expense, for the year decreased from ₱176.95 million to ₱169.53 million due to interest cost savings during 2019. Total interest cost capitalized as real estate inventory amounted to ₱802.55 million, from ₱242.24 million y-o-y, as more debt was availed in 2019 to support the Company's planned capital expenditures including land banking initiative and project development. This included the ₱2.00 billion corporate notes issued in 2019 and ₱5.00 billion corporate notes issued in 2018.

OTHER INCOME/ EXPENSE

The Company's other operating income likewise increased to ₱53.13 million from ₱33.50 million due to an increase in administrative fees charged to the customers. During the year, the company has also recognized an increase in other gains and losses from loss of ₱26.00 million to a gain of ₱120.00 million due to the booked forex gain on the settlement of payables denominated in foreign currency.

Furthermore, the company has recognized an increase in tax expense of 69% from ₱439.00 million to ₱743.56 million attributable to the increase in taxable net income.

As of December 31, 2019 vs December 31, 2018

CLI's balance sheet continues to be solidly positioned to support the Company's growth plans. As of December 31, 2019, the Company reported ₱38.28 billion in total assets, a 51% growth from ₱25.43 billion as of December 31, 2018. This is driven by the increased volume of customer receivables due to increase in real estate reservation sales and revenue.

ASSETS

3% decrease in Cash and Cash Equivalents

Declined to ₱917.17 million from ₱949.16 million due to increase in cash outflows for purchase of land and payment to project suppliers and contractors during the year.

45% increase in Receivables (including Non-Current Portion)

Increased to ₱5.88 billion from ₱4.04 billion is in line with increase in real estate reservation sales and revenues as construction progress of the units sold are moved to receivables accounts.

63% increase in Contract Assets (including Non-Current Portion)

Increased to ₱8.89 billion from ₱5.44 billion is in line with increase in real estate reservation sales and revenues as progress in construction of sold units. Contract assets are yet to be due once projects are fully completed.

27% decrease in Deposit on Land for Future Development (including Non-Current Portion) Decreased to ₱1.29 billion from ₱1.75 billion due to increased project developments during 2019.

51% increase in Real Estate Inventory

This refers to the cost of land and development costs of real estate properties that are being developed, and those that are already available for sale. The increase to ₱9.45 billion from ₱6.26 billion is due to progress in construction of ongoing projects.

53% decrease in Due from Related Parties Transactions paid by CLI on behalf of its subsidiaries and affiliates decreased to ₱9.95 million from ₱21.15 million as of December 31, 2018.

162% increase in Prepayments and Other Current Assets

Increased to ₱2.27 billion from ₱864.14 million is due to prepayments and input VAT to owner supplied materials to support 38 projects in construction in 2019 versus 24 projects in 2018.

46% increase in Investments in Associates

Increased to ₱16.38 million from ₱11.21 million significantly due to incorporation of new JVs and affiliates, such as CHDI, YHESPH, and TWDC, during the year.

9% increase in Property and Equipment – Net

Increased to ₱355.12 billion from ₱326.00 billion is attributable to office expansion of the company to support the increasing manpower and operations.

100% increase in Right-of-Use Asset

Recognition of right-of-use assets from the leasehold rights acquired on leased units classified as finance lease due to implementation of PFRS 16, *Leases*, starting January 1, 2019.

56% increase in Investment Properties – Net

Increased to ₱8.90 billion from ₱5.70 billion is attributable to the ongoing construction progress of properties held to earn rental income and/or for capital appreciation.

100% increase in Fair Value of Plan Assets – net

Recognition of plan assets – net of liability due to plan contributions exceeding the present value of retirement obligation.

99% increase in Other Non-Current Assets – Net

Increased to ₱128.87 million from ₱64.66 million due to additional purchase of computer software and long-term deposits with suppliers.

LIABILITIES

58% increase in Interest Bearing Loans (including Non-Current Portion)

Increased to ₱16.85 billion from ₱10.64 billion due to new loan availments made during the year to fund the Company's ongoing projects in construction.

141% increase in Trade and Other Payables (including Non-Current Portion)

Increased to ₱5.78 billion from ₱2.40 billion due to increase in payables and accruals to various suppliers and contractors arising from the increased volume of projects in construction.

9% decrease in Contract Liabilities

Decreased to ₱418.97 million from ₱458.00 million due to increase in progress completion of units relative to the amount paid by buyers.

347% increase in Customer Deposit

Due to the increase in collections from buyers where the revenue criteria for sales recognition have not been met. Increased to ₱191.04 million from ₱43.00 million is in line with increase in reservation sales and project launches during the year.

68% increase in Income Tax Payable Increased to ₱29.73 million from ₱17.73 million due to the higher taxable income.

100% decrease in Post Employment Defined Benefit Obligation Due to avilment of the benefit.

109% increase in Deferred Tax Liabilities – Net

Increased to ₱1.12 billion from ₱537.04 million due to increase in recognized tax liability on taxable temporary difference in net income.

EQUITY

16% increase in Treasury Shares

Increased to ₱247.19 million from ₱212.46 million due to the 8.32 million shares repurchased during the year in relation to its share buy-back program.

47% decrease in Revaluation Reserve

Decreased to ₱6.59 million from ₱12.43 million due to the other comprehensive income remeasurements of post-employment defined benefit plans. This is in line with the decrease in postemployment defined benefit liabilities.

57% increase in Retained Earnings

Increased to ₱4.62 billion from ₱2.94 billion due to the accumulation of earnings for the year after reducing the ₱332.59 million dividends paid in 2019.

15% increase in NCI

Increased to ₱6.06 billion from ₱5.28 billion is significantly due to incorporation of new JVs and affiliates investments during the year.

KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

Known Trends, Events, or Uncertainties (Material Impact on Liquidity and on Sales)

None.

Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

None.

All 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.

Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

The Company's target capital expenditures for the year amounts to ₱14.5 billion. CLI spent ₱13.83 billion in capital expenditures, with the majority 73.4% allocated for residential development, 18.5% for investment properties, and the remaining portion for existing lot payments.

Any significant elements of Income or Loss

None.

Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item

None.

Seasonal Aspects that have Material Effect on the Financial Statement

None.

KEY PERFORMANCE INDICATORS

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

Management considers the following as KPIs:

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

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

Below is the reconciliation of "Consolidated Net Income" to "EBITDA".

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

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

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

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

KPIS; CERTAIN FINANCIAL RATIOS

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

Financial Ratios (Consolidated)	Relevant Definitions	Required Ratios under Notes Facility Agreement	2020	2021	2022	2023	2024
Debt to Equity Ratio	Debt-to-Equity Ratio means the result obtained by dividing (i) the amount of interest-bearing debt (loans, borrowings and bonds payable) of the Issuer by (ii) the total Equity of the Issuer, in each case as appearing in the latest consolidated audited balance sheet of the Issuer.	A maximum ratio of 2.5:1	1.53	1.79	2.05	2.01	1.64
Current Ratio	Current ratio is computed by dividing (i) Total Current Assets over (ii) Current Liabilities.	A minimum ratio of 1:1	2.41	1.67	1.61	1.55	1.55

Interest Coverage Ratio	Interest coverage ratio is computed by dividing the sum of EBITDA, cash, and cash equivalents, by interest incurred during the period. For purposes of the covenants, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year.	A minimum ratio of 3:1	4.69	3.74	4.89	4.12	5.44
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Financial and Other Information

(a) Required Information

(1) Financial Statements

Copies of the FY2024 Audited Consolidated Financial Statements of CLI and Subsidiaries, prepared in accordance with SRC Rule 68, as amended, as well as the SEC Form 17-A (Annual Report) of the Company may be downloaded from CLI’s website or mailed to any security holder upon written request made to CLI Investors Relations Officer, Ms. Clarissa Mae A. Cabalda, who may be reached by e-mail at clarissa@cebulandmasters.com or at her office address, i.e., Upper Penthouse, Park Centrale Tower, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City 6000.

(2) Seasonal Aspect that has Material Effects on the Financial Statements

As of the reporting period, there is no seasonal aspect that may have material effects on the Financial Statements of the Company.

(3) Management’s Discussion and Analysis and Plan of Operation

Please refer to Annex “F” for the complete management’s discussion, analysis, and plan of operation of the Company.

(4) CLI’s General Nature and Scope of Business

CLI was incorporated in the Philippines and registered with the Securities and Exchange Commission on September 26, 2003. The Company is presently engaged in real estate development, sale, and leasing. Its major projects include Asia Premier Residences, Midori Plains, Midori Residences, Park Centrale, Velmiro Heights, Base Line Center, Casa Mira Towers in Labangon, Guadalupe and Mandaue, Casa Mira Linao and Casa Mira South subdivisions, San Josemaria Villages, Mivesa Garden Residences, Mivela Garden Residences, Citadines Cebu City, Latitude Corporate Center, Astra Centre, and 38 Park Avenue, which are all located in Cebu. CLI also has projects in Bacolod, Bohol, Davao, Dumaguete, Cagayan de Oro, and Iloilo. Through joint ventures, the Company also owns several hotels, office condominiums in various cities, and a 23-hectare central business district in Davao City.

(5) Identity of Directors, Executive Officers, Business and Occupation

Please refer to the disclosure in Item 5 above.

Dividends Declared

CLI has declared the following cash and stock dividends.

Cash Dividends

On 17 March 2025, the Board of Directors declared a *regular* cash dividend of ₱0.15 per share and a *special* cash dividend of ₱0.03 per share for stockholders of record as of 11 April 2025 to be paid on or before 2 May 2025.

Year of Dividend Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	Amount Paid (in ₱)
2014	12.50	November 3, 2014	48,000,000
2015	7.19	February 28, 2015	42,000,000
2015	10.27	June 15, 2015	60,000,000
2015	8.56	October 15, 2015	50,000,000
2015	5.66	December 15, 2015	50,000,000
2016	2.26	March 31, 2016	20,000,000
2016	5.99	August 31, 2016	52,943,457
2016	4.32	September 15, 2016	38,150,000
2016	1.70	September 30, 2016	15,000,000
2016	0.74	November 21, 2016	650,000,000
2016	0.05	December 1, 2016	40,000,000
2016	0.03	December 1, 2016	40,000,000
2018	0.15	March 23, 2018	235,186,980
2019	0.20	March 26, 2019	332,590,000
2020	0.25	April 3, 2020	414,795,000
2021	0.25	April 16, 2021	388,749,900
2022	0.112 (Regular) 0.038 (Special)	April 22, 2022	519,780,220
2023	0.15 (Regular) 0.03 (Special)	April 18, 2023	623,736,264
2024	0.15 (Regular) 0.03 (Special)	April 17, 2024	623,736,264
2025	0.15 (Regular) 0.03 (Special)	April 11, 2025	623,736,264

Stock Dividends

Year of Dividend Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	No. of Shares
2014	0.5208	November 30, 2014	2,000,000
2015	0.3394	December 15, 2015	3,000,000
2021	1.23	June 18, 2021	1,909,451,997

Holders

(i) Approximate number of holders of each class of common shares as of Record Date (16 May 2025):

Common Shares - Outstanding	3,465,201,467
Total number of stockholders (Common Shares)	21

No. of shares per board lot (Common Shares)	1,000
Total number of stockholders owning at least 1 board lot (Common Shares)	17
Common Shares - Treasury	158,250,530

(ii), (iii), and (iv) Details as to the Top 20 CLI shareholders, number of shares held, and percentage of total issued and outstanding shares as of Record Date (16 May 2025):

CLI Stockholder	No. of Shares Held	Percentage of Total Issued and Outstanding Shares
AB SOBERANO HOLDINGS CORP.	2,198,385,729	60.67%
PCD NOMINEE CORP. (FILIPINO)	1,229,424,268	33.93%
AB SOBERANO HOLDINGS CORPORATION	63,675,306	1.76%
PCD NOMINEE CORP. (NON-FILIPINO)	56,193,067	1.55%
JOSE R. SOBERANO III	31,220,000	0.86%
AB SOBERANO HOLDINGS CORP.	21,345,560	0.59%
JOSE FRANCO B. SOBERANO	7,247,500	0.20%
A B SOBERANO HOLDINGS CORP.	5,463,500	0.15%
JANELLA MAE SOBERANO-WU	5,017,500	0.14%
JOANNA MARIE S. BERGUNDTHAL	5,017,500	0.14%
MA. NONA A. VELEZ	300,000	0.01%
MYRNA P. VILLANUEVA	39,300	0.00%
MYRA P. VILLANUEVA	33,450	0.00%
MARIETTA V. CABREZA	22,300	0.00%
MARIA LOURDES M. ONOZAWA	22,300	0.00%
LOLITA SIAO-IGNACIO	22,300	0.00%
MILAGROS P. VILLANUEVA	22,300	0.00%
OWEN NATHANIEL S AU ITF: LI MARCUS AU	111	0.00%
JESUS N. ALCORDO	2	0.00%
MA. AURORA D. GEOTINA-GARCIA	2	0.00%
RUFINO LUIS T. MANOTOK	2	0.00%

(6) Sale of Unregistered or Exempt securities

There are no unregistered or exempt securities as well as securities constituting an exempt transaction issued by the Company during the year 2024.

(7) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the four most recent fiscal years. The Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

(8) Attendance of Principal Accountant and External Auditor in Annual Stockholders Meeting

A representative of Punongbayan & Araullo is expected to be present during the 2025 Regular Stockholders' Meeting to respond to appropriate questions or make a statement if he/she desires to do so.

INFORMATION ON INDEPENDENT ACCOUNTANT EXTERNAL AUDIT FEES

EXTERNAL AUDIT FEES

The following table sets out the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by CLI's external auditors:

	2023	2024
Audit and Audit-Related Fees	₱5,712,000.00	₱6,698,440.00
Tax Fees	None	None
All Other Fees	None	₱552,000.00
TOTAL	₱5,712,000.00	₱7,250,440.00

All non-audit and non-audit related fees (e.g., tax fees; all other fees) undergo the review and approval of CLI's Audit Committee. In accordance with existing policies and in compliance with corporate governance requirements, CLI Management, led by its VP for Finance and/or CFO, presents details of the proposed non-audit services, including nature of work, scope of work, proposed fees, and copies of engagement proposals from the third party service providers. These serve as the basis for the Audit Committee to recommend approval of the non-audit services to the CLI Board of Directors. The Audit Committee disallows any non-audit work that will conflict with the duties of the external auditor or may pose a threat to its independence.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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

FINANCIAL STATEMENTS

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

MARKET PRICE INFORMATION

CLI listed its common shares with the Philippine Stock Exchange on June 2, 2017.

Philippine Stock Exchange
Prices (in PHP/ share)

	High	Low	Close
2017			
Second Quarter (month of June only)	5.98	5.13	5.34
Third Quarter	5.51	4.58	5.07
Fourth Quarter	5.17	4.59	4.88
2018			
First Quarter	5.12	4.21	4.70
Second Quarter	5.06	4.48	4.58
Third Quarter	4.73	4.27	4.42
Fourth Quarter	4.59	3.60	4.14
2019			

First Quarter	4.29	4.19	4.20
Second Quarter	4.89	4.80	4.83
Third Quarter	4.75	4.70	4.74
Fourth Quarter	4.83	4.67	4.83
2020			
First Quarter	3.80	3.70	3.72
Second Quarter	5.10	4.35	4.69
Third Quarter	4.92	4.83	4.90
Fourth Quarter	5.05	4.99	5.05
2021 *price after stock dividends resulting in a price split			
First Quarter	2.65	2.60	2.64
Second Quarter	3.85	3.72	3.77
Third Quarter	3.00	2.89	2.95
Fourth Quarter	3.00	2.73	3.00
2022			
First Quarter	3.02	2.71	2.97
Second Quarter	3.06	2.48	2.50
Third Quarter	2.60	2.19	2.34
Fourth Quarter	2.80	2.20	2.80
2023			
First Quarter	2.68	2.60	2.63
Second Quarter	2.60	2.56	2.59
Third Quarter	2.66	2.64	2.65
Fourth Quarter	2.53	2.47	2.47
2024			
First Quarter	2.80	2.78	2.80
Second Quarter	2.60	2.60	2.60
Third Quarter	2.71	2.66	2.65
Fourth Quarter	2.68	2.64	2.65
2025			
First Quarter	2.52	2.48	2.49

The market capitalization of CLI, based on the closing price of ₱2.48 per share as of 19 June 2025 is approximately ₱8,524,395,608.82. As of 19 June 2025, the number of persons holding CLI common shares is twenty-one (21).

Compliance with Leading Practices on Corporate Governance

The Company is committed to doing business in accordance with the highest professional standards, business conduct and ethics and all applicable laws, rules, and regulations in the Philippines. The Company, its directors, officers, and employees are dedicated to promote and adhere to the principles of good corporate governance by observing and maintaining its core business principles of accountability, integrity, fairness, and transparency.

Compliance Policy and Evaluation System

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

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

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

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

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

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

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

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

Continued improvement of CLI's Corporate Governance

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

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

Independent Directors

Philippine regulations require the Company to have at least three (3) independent directors in its Board of Directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. The Company's Board of Directors is currently composed of nine members, five (5) of whom are regular directors, three (3) are independent directors, and one (1) non-executive director. The Company's independent directors are Atty. Ma. Jasmine S. Oporto, Rufino Luis T. Manotok, and Ma. Aurora D. Geotina-Garcia.

Under the SEC Revised Code of Corporate Governance, independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. The By-Laws of the Company do not provide for such quorum requirement. However, pursuant to the Company's Manual of Corporate Governance to promote transparency, the Board requires the presence of at least one independent director in all its meetings.

Compliance Officer

During its organizational meeting held on 04 June 2024, the Board re-elected Atty. John Edmar G. Garde as CLI's Compliance Officer who shall be in charge of the compliance function. In keeping with SEC Memorandum Circular No. 19, series of 2016 and pertinent issuances, the CLI Compliance Officer is not a member of the Board and is different from the Corporate Secretary. He is primarily liable to the Company and its shareholders, and not to its Chairman or President, and shall have the following duties and responsibilities:

- Ensure proper onboarding of new directors (i.e., orientation on the Company's business, charter, Articles of Incorporation and By-laws, among others);
- Monitor, review, evaluate and ensure the compliance by the Company, its officers and directors with the relevant laws, the SEC Code of Corporate Governance, rules and regulations, and all governance issuances of regulatory agencies;
- Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- Ensure the integrity and accuracy of all documentary submissions to regulators;
- Appear before the SEC when summoned in relation to compliance with the SEC Code of Corporate Governance;
- Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- Identify possible areas of compliance issues and work towards the resolution of the same;
- Ensure the attendance of board members and key officers to relevant trainings; and
- Perform such other duties and responsibilities as may be provided by the SEC.

Chief Audit Officer

The Chief Audit Officer, who will be appointed by the Board, directly reports functionally to the Audit Committee and administratively to the Chief Executive Officer. She oversees and is responsible for the internal audit activity of the Company, including that portion that is outsourced to a third-party service provider.

Resolving Stockholders' Disputes

It is the policy of CLI to resolve disputes or differences with stockholders, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation, or arbitration.

Stockholders who have matters for discussion or concerns directly resulting in the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Officer; (c) Management; or (d) the Board.

Committees of the Board

The CLI Board has fully engaged and functioning board committees which support the effective performance of the Board's functions. CLI's principal board committees include the Audit Committee, Corporate Governance Committee, Related Party Transactions Committee, Risk Oversight Committee, Nomination Committee, and the Compensation and Benefits Committee. All established CLI Committees have their respective committee charters, which state in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information.

Audit Committee

The Audit Committee is composed of at least three (3) board members, preferably with accounting and finance background, one of whom shall be an independent director and another should have related audit experience. The Chairman of this Committee is an independent director. She should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit Committee performs the following functions:

- Assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, internal and external audit process, and monitoring of compliance with applicable laws, rules and regulations;
- Recommends the approval the Internal Audit Charter ("IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- Through the Internal Audit ("IA") Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets;
- Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Officer. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- Establishes and identifies the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- Reviews and monitors management's responsiveness to the internal auditor's findings and recommendations;
- Prior to the commencement of the audit, discusses with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence;
- Reviews and approves the interim and annual financial statements before their submission to the Board;
- Reviews the disposition of the recommendations in the external auditor's management letter;
- Performs oversight functions over the Company's internal and external auditors and ensure the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions, taking into consideration relevant Philippine professional and regulatory requirements;
- Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the SEC, who undertakes an independent audit of the Company, and provides an objective

assurance on the manner by which the financial statements should be prepared and presented to the stockholders;

- Evaluates on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);

Risk Oversight Committee

This Committee is established to provide a venue for discussion of risk oversight issues for the purpose of fulfilling its corporate governance responsibilities through better integration and collaboration of risk oversight and audit management functions. The Committee shall have at least three (3) Directors, one (1) of whom shall be an independent director. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner removed as members of the Committee.

The Committee is authorized to deal with any activity within its charter, including the authority to secure the attendance of outsider experts with relevant experience and expertise as it deems necessary in the performance of its duties. Furthermore, the Committee shall represent the Board in discharging its responsibility relating to risk oversight matters. The Committee does not have decision-making authority, except in the circumstances described herein or to the extent that such authority is expressly delegated by the Board. Its functions include the following:

- Review and consider, at least once a year, the Corporation's risk management policy, with consideration of the strategic, operational, financial, legal and compliance, emerging, and project risks as well as any other form of risk as approved by the Board;
- Provide a forum to review exposures and strategies to mitigate risks with relevant senior officers and managers and make recommendations to the Board related to changes to the policy based on this review;
- Undertake a periodic review of the delegated authorization and control levels. Following consultation with the CEO, COO and CFO, make recommendations to the Board related to any changes in these levels seen to be appropriate based on this review;
- Review the Corporation's senior officers' and managers' proposed risk appetite and risk tolerance at least annually and if advisable, recommend it for Board approval;
- At least annually, review policies and procedures in consultation with individual business leaders and risk managers and recommend changes as appropriate;
- Monitor and review the Corporation's senior managers and officers' reports on the following:
 - the Corporation's risk profile and identifying material risks associated with the Corporation's business and operations;
 - emerging risk issues and trends;
 - compliance with the risk appetite and risk tolerance limits and established policies and procedures; and
 - overall adherence to the Corporation's defined risk appetite.
- Recommend to the Board external advisers when desired expertise for the specific need is not available internally; and
- Ensure the proper implementation of the risk oversight and management framework across the Corporation by identifying, evaluating and monitoring relevant issues to mitigate risk.

Related-Party Transactions Committee

The Related-Party Transactions Committee is constituted to promote transparency, fairness, and ensure that transactions of the Corporation are conducted at arm's-length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances. For this purpose, the Committee shall review all transactions involving parties related to the Corporation if the same shall fall within the specific criteria set in writing and approved by the Board.

The Committee shall have three (3) members, one (1) of whom shall be an independent director. They shall hold office for a period of one (1) year from election until their successors are duly elected or sooner removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The

Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- Recommend to the Board specific criteria under which related-party transactions (“RPTs”) may be subject to review by the Committee prior to its approval by the Board;
- Propose to the Board policies related to conflicts of interest and recommend a system to identify, monitor, report, and conduct periodic review of RPTs;
- Evaluate all existing relations between and among businesses and counterparties of the Corporation to ensure all related parties are continuously identified, transactions are monitored, and subsequent changes in relationships (from non-related to related and vice versa) are captured;
- Evaluate all RPTs subject to review by the Committee to ensure no business resources of the Corporation are misappropriated or misapplied, and determine any potential reputational risks that may arise from such transactions. In evaluating RPTs, the Committee shall consider, among others, the following:
 - The related party's relationship to the Corporation, its interest in the transaction and the benefits to the Corporation;
 - The material facts of the RPT such as the aggregate value of the transaction; and
 - The availability of other sources of comparable products, services, or terms and conditions from unrelated party/parties under similar circumstances;
- Ensure that appropriate disclosures are promptly made and/or information provided to regulators;
- Report to the Board on a regular basis status of RPTs subject of its review, the aggregate exposures to each related party as well as the total amount of exposures to all related parties.

Corporate Governance Committee

The Committee assists the Board in performing corporate governance responsibilities and ensures compliance with and proper observance of corporate governance principles and practices. The Committee shall have three (3) directors, at least two (2) of whom shall be independent directors. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner if removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains relevant in light of material changes to the Corporation's size, complexity and business strategy, as well as its compliance with regulatory requirements of relevant government agencies such as but not limited to the Securities and Exchange Commission, Philippine Stock Exchange, Housing and Land Use Regulatory Board, Department of Environment and Natural Resources, and local government units;
- Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct annual self-evaluation of its performance;
- Ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement;
- Determine the nomination and election process for the Corporation's directors and establish and maintain a process to ensure that all candidates/nominees at the Annual Stockholders Meeting are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations, assessing whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibility to the Board and in light of the Corporation's business and risk profile; (2) maintain integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between Board members;
- Recommend continuing education/training programs for directors, assignment of tasks/projects to Board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;
- Review and evaluate the qualifications of all individuals to be appointed to such positions within the Corporation that require Board approval;

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and providing oversight over remuneration of senior management and other key personnel, ensuring that the policy is consistent with the Corporation's culture, strategy, and the business environment in which it operates;
- Review the Corporation's human resources development or personnel handbook to strengthen provisions on conflict of interest and directives on promotion and career advancement;
- Other functions as may be delegated by the Board.

Nomination Committee

The Nomination Committee of the Board shall have at least three (3) members, one (1) of whom shall be an independent director. The Nomination Committee passes upon the qualifications of the nominees and ascertains that they do not possess any of the disqualifications.

The Nomination Committee reviews and evaluates the qualifications of all individuals nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members.

Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the Company.

Compensation and Benefits Committee

The Compensation and Benefits Committee shall be composed of at least three (3) members, one (1) of whom must be an independent or non-executive director. It shall have the following duties and responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and the business environment in which it operates;
- Design the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully; and
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met.

ANNEX "G"

Disclosures under Section 49 of the Revised Corporation Code of the Philippines

a. In the previous regular meeting, voting was done by sending proxy forms and ballots electronically to the Office of the Corporate Secretary. The identity of the shareholder and his or her shareholdings were validated, and thereafter all votes received were tabulated by the accounting firm of Sta. Ana Rivera & Co., in coordination with CLI's Office of the Corporate Secretary and CLI's stock transfer agent.

b. Shareholders attending the meeting, whether remotely or in-person, were given the opportunity to ask questions after the presentation of the materials and the voting items.

None of the shareholders or their proxies present raised any other matters or asked questions after the presentation of the materials and the voting items.

c. The agenda items discussed and summary of the voting results of the regular meeting are as follows:

Agenda Items	Yes	No	Abstain
Approval of Previous Minutes of Regular	2,660,683,609	0	0

Stockholders' Meeting (June 1, 2023)			
Approval of Previous Minutes of Special Stockholders' Meeting (February 14, 2024)	2,660,683,609	0	0
Approval of CFO's Report	2,660,683,609	0	0
Approval of COO's Report	2,660,683,609	0	0
Approval of Chairman's Report	2,660,683,609	0	0
Approval of Audited Financial Statements as of 31 Dec 2023	2,660,683,609	0	0
Ratification of all acts of the Board of Directors during its 2023-2024 term	2,660,683,609	0	0
Election of the Board of Directors for the 2024-2025 term			
Jose R. Soberano III	2,660,683,609	0	0
Ma. Rosario B. Soberano	2,660,683,609	0	0
Jose Franco B. Soberano	2,660,683,609	0	0
Beauregard Grant L. Cheng	2,660,683,609	0	0
Joanna Marie S. Bergundthal	2,660,683,609	0	0
Rufino Luis T. Manotok	2,660,683,609	0	0
Ma. Aurora D. Geotina-Garcia	2,660,683,609	0	0
Atty. Ma. Jasmine S. Oporto	2,660,683,609	0	0
Stephen A. Tan	2,660,683,609	0	0

e. The following stockholders were present during the previous regular meeting:

NAME	Direct / Indirect Shareholding
Edward Yao	Indirect
Ma. Aurora D. Geotina-Garcia	Direct
Rufino Luis T. Manotok	Direct and Indirect
Atty. Ma. Jasmine S. Oporto	Direct
Stephen A. Tan	Direct
Jose R. Soberano III	Direct and Indirect
Ma. Rosario B. Soberano	Direct and Indirect
Jose Franco B. Soberano	Direct and Indirect

NAME	Direct / Indirect Shareholding
Edward Yao	Indirect
Janella Mae S. Wu	Direct and Indirect
Joanna Marie S. Bergundthal	Direct and Indirect
Jose Gabriel B. Soberano	Direct and Indirect
Beauregard Grant L. Cheng	Direct
Atty. Larri-Nil G. Veloso	Direct

f. In the previous meeting, no appraisals and performance report for the Board were presented.

g. No director has made self-dealings or related party transactions with the Company for the last three fiscal years, i.e., 2022, 2023, and 2024 and in the interim period in 2025.

h. Five (5) of the CLI Directors, namely Chairman Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, Dir. Jose Franco B. Soberano, Dir. Beauregard Grant L. Cheng, and Dir. Joanna Marie S. Bergundthal are simultaneously the Top 5 Executives of the Company, whose compensation reports are disclosed under Item 6 above. The following non-executive directors have received their corresponding total compensation in 2024 pursuant to Item 7(a) above:

Non-Executive Directors	Total Compensation in 2024 (in ₱)
Rufino Luis T. Manotok	960,000.00
Ma. Aurora D. Geotina-Garcia	990,000.00
Atty. Ma. Jasmine S. Oporto	1,000,000.00
Stephen A. Tan	1,010,000.00



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/lmessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 15, 2025 07:11:48 PM

Company Information

SEC Registration No.: CS200321240

Company Name: CEBU LANDMASTERS, INC.

Industry Classification: K70110

Company Type: Stock Corporation

Document Information

Document ID: OST10415202583176250

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Parent

Remarks: None

Acceptance of this document is subject to review of forms and contents

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

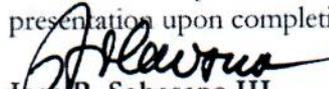
The management of **Cebu Landmasters, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the fiscal years ended **December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

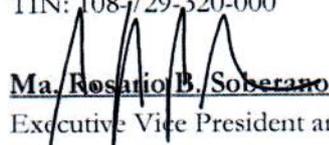
Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



Jose R. Soberano III

Chairman of the Board, Chief Executive Officer and President

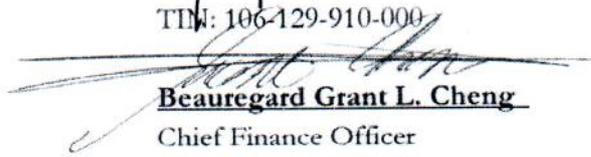
TIN: 108-729-320-000



Ma. Rosario B. Soberano

Executive Vice President and Treasurer

TIN: 106-129-910-000



Beauregard Grant L. Cheng

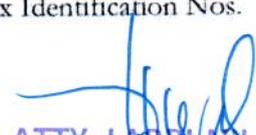
Chief Finance Officer

TIN: 205-557-510-000

Signed this ____ day of APR 09 2025 2025.

SUBSCRIBED AND SWORN to before me this APR 09 2025 at **TALISAY CITY, CEBU**
affiants exhibiting to me their respective Tax Identification Nos.

Doc No. 296 ;
Page No. 61 ;
Book No. 14 ;
Series of 2025



ATTY. LARRY M. G. VELOSO

Notary Public
Talisay City and Naga City, Cebu
Commission No. 2017-05-E | December 31, 2026
10th Floor, Park Centrale, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City
Tel. No. (032) 231-4914 & (032) 231-4870 or Telefax (032) 231-5073
PTR No. 1381571; 11-19-2024; Cebu Province
IBP No. 472966; 10-24-2024; Cebu Chapter
Block 1, Lot11, San Josemaria Village, Maghaway,
Talisay City, Cebu, Philippines 6045



Mark Anthony Yu <myucliacctg@gmail.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>
To: MYUCLACCTG@gmail.com
Cc: MYUCLACCTG@gmail.com

Tue, Apr 15, 2025 at 2:12 PM

Hi CEBU LANDMASTERS INC,

Valid files

- EAFS227599320AFSTY122024.pdf
- EAFS227599320ITRTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MR1TQMW3085LK9A6HNYTWM2VX0B9JC7EGH**
Submission Date/Time: **Apr 15, 2025 02:12 PM**
Company TIN: **227-599-320**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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P&A
Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Cebu Landmasters, Inc.

December 31, 2024, 2023 and 2022
(With Corresponding Figures as of January 1, 2023)

Report of Independent Auditors

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Cebu Landmasters, Inc.
(A Subsidiary of A B Soberano Holdings Corp.)
10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy. Apas
Cebu City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cebu Landmasters, Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using the full retrospective approach. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2023)
(Amounts in Philippine Pesos)

	Notes	December 31, 2024	December 31, 2023 (As Restated - see Note 2)	January 1, 2023 (As Restated - see Note 2)
<u>A S S E T S</u>				
CURRENT ASSETS				
Cash and cash equivalents	4	P 667,937,940	P 441,670,591	P 465,354,066
Receivables	5	2,764,806,240	1,465,941,409	2,497,006,115
Contract assets	17	15,436,691,263	19,482,468,256	14,063,209,951
Due from related parties	25	664,246,029	698,510,600	1,481,499,405
Real estate inventories	6	6,000,151,302	7,540,376,650	7,552,277,288
Deposits on land for future development	7	-	-	121,996,729
Prepayments and other current assets	8	4,552,061,352	4,194,661,169	2,340,624,416
		<u>30,085,894,126</u>	<u>33,823,628,675</u>	<u>28,521,967,970</u>
Non-current asset classified as held for sale	9	237,832,347	-	-
Total Current Assets		<u>30,323,726,473</u>	<u>33,823,628,675</u>	<u>28,521,967,970</u>
NON-CURRENT ASSETS				
Receivables	5	128,161,471	156,093,837	106,500,219
Contract assets	17	18,764,293,954	13,235,300,241	11,323,558,221
Investments in subsidiaries, associates and a joint venture	9	11,581,398,627	9,345,133,685	6,865,126,687
Property and equipment - net	10	7,447,881,660	6,012,622,261	4,076,726,251
Right-of-use assets - net	11	867,255,016	887,603,255	910,749,954
Investment properties - net	12	10,526,703,657	9,570,958,321	9,937,376,563
Other non-current assets - net	13	1,852,054,722	1,539,183,844	1,258,879,680
Total Non-current Assets		<u>51,167,749,107</u>	<u>40,746,895,444</u>	<u>34,478,917,575</u>
TOTAL ASSETS		<u>P 81,491,475,580</u>	<u>P 74,570,524,119</u>	<u>P 63,000,885,545</u>
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	P 8,542,986,476	P 10,443,628,947	P 7,521,349,177
Trade and other payables	16	12,905,397,550	14,223,925,249	12,202,834,640
Contract liabilities	17	120,537,515	164,891,955	289,366,657
Customers' deposits	17	78,940,908	135,710,979	76,996,569
Lease liabilities	11	41,197,368	37,685,586	36,716,315
Total Current Liabilities		<u>21,689,059,817</u>	<u>25,005,842,716</u>	<u>20,127,263,358</u>
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	28,859,671,939	25,514,057,795	21,932,094,231
Bonds payable	15	4,964,768,926	4,947,822,521	4,930,582,631
Lease liabilities	11	968,523,528	939,780,431	911,374,869
Trade and other payables	16	550,010,939	193,517,068	176,234,971
Post-employment defined benefit obligation	23	40,309,395	10,395,914	9,390,095
Deferred tax liabilities - net	24	3,914,255,188	3,499,919,259	2,662,200,804
Total Non-current Liabilities		<u>39,297,539,915</u>	<u>35,105,492,988</u>	<u>30,621,877,601</u>
Total Liabilities		<u>60,986,599,732</u>	<u>60,111,335,704</u>	<u>50,749,140,959</u>
EQUITY				
Capital stock	26	3,627,732,337	3,623,451,997	3,623,451,997
Additional paid-in capital		5,855,925,221	1,608,917,974	1,608,917,974
Share options outstanding		5,681,640	4,311,977	2,195,991
Treasury stock, at cost		(732,664,604)	(732,664,604)	(732,664,604)
Revaluation reserves - net		(34,689,808)	(18,288,224)	(13,910,501)
Retained earnings		<u>11,782,891,062</u>	<u>9,973,459,295</u>	<u>7,763,753,729</u>
Total Equity		<u>20,504,875,848</u>	<u>14,459,188,415</u>	<u>12,251,744,586</u>
TOTAL LIABILITIES AND EQUITY		<u>P 81,491,475,580</u>	<u>P 74,570,524,119</u>	<u>P 63,000,885,545</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
REVENUES	17			
Sale of real estate		P 9,802,166,890	P 9,986,792,668	P 10,579,681,642
Interest income from real estate sales		1,064,215,526	1,104,059,468	1,049,241,215
Rental		113,826,161	101,513,196	75,752,573
Management fees		<u>146,650,022</u>	<u>154,376,800</u>	<u>141,931,941</u>
		<u>11,126,858,599</u>	<u>11,346,742,132</u>	<u>11,846,607,371</u>
COST OF SALES AND SERVICES	18	(<u>4,728,844,814</u>)	(<u>5,090,152,817</u>)	(<u>5,902,315,588</u>)
GROSS PROFIT		6,398,013,785	6,256,589,315	5,944,291,783
OPERATING EXPENSES	19	(<u>2,377,889,044</u>)	(<u>1,968,974,042</u>)	(<u>1,869,225,902</u>)
OTHER OPERATING INCOME	20	<u>346,275,908</u>	<u>363,652,839</u>	<u>158,898,108</u>
OPERATING PROFIT		4,366,400,649	4,651,268,112	4,233,963,989
SHARE IN NET PROFIT OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE	9	1,075,855,465	1,249,633,091	430,697,764
FINANCE COSTS	22	(<u>1,880,107,688</u>)	(<u>2,128,229,311</u>)	(<u>1,029,980,251</u>)
FINANCE INCOME	21	32,037,902	43,989,261	70,675,962
OTHER LOSSES	20	(<u>23,812,992</u>)	(<u>3,233,017</u>)	(<u>6,252,156</u>)
PROFIT BEFORE TAX		3,570,373,336	3,813,428,136	3,699,105,308
TAX EXPENSE	24	(<u>628,095,254</u>)	(<u>979,986,307</u>)	(<u>957,520,535</u>)
NET PROFIT		<u>P 2,942,278,082</u>	<u>P 2,833,441,829</u>	<u>P 2,741,584,773</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
NET PROFIT		<u>P 2,942,278,082</u>	<u>P 2,833,441,829</u>	<u>P 2,741,584,773</u>
OTHER COMPREHENSIVE LOSS				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment defined benefit plan	23	(<u>21,868,779</u>)	(<u>5,836,965</u>)	(<u>577,372</u>)
Tax income	24	(<u>5,467,195</u>)	(<u>1,459,242</u>)	(<u>144,343</u>)
		(<u>16,401,584</u>)	(<u>4,377,723</u>)	(<u>433,029</u>)
TOTAL COMPREHENSIVE INCOME		<u>P 2,925,876,498</u>	<u>P 2,829,064,106</u>	<u>P 2,741,151,744</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Capital Stock (see Note 26)	Additional Paid-in Capital (See Note 26)	Share Options Outstanding (See Note 26)	Treasury Stock, at Cost (See Note 26)	Revaluation Reserves (See Note 26)	Retained Earnings (See Note 26)			Total
						Appropriated	Unappropriated	Total	
Balance at January 1, 2024									
As previously reported	P 3,623,451,997	P 1,608,917,974	P 4,311,977	(P 732,664,604)	(P 18,288,224)	P 6,914,803,006	P 5,187,185,478	P 12,101,988,484	P 16,587,717,604
Effect of restatements - see Note 2	-	-	-	-	-	-	(2,128,529,189)	(2,128,529,189)	(2,128,529,189)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>4,311,977</u>	<u>(732,664,604)</u>	<u>(18,288,224)</u>	<u>6,914,803,006</u>	<u>3,058,656,289</u>	<u>9,973,459,295</u>	<u>14,459,188,415</u>
Transactions with owners:									
Issuance of capital stock	4,280,340	4,247,007,247	1,369,663	-	-	-	-	-	4,252,657,250
Cash dividend	-	-	-	-	-	-	(1,132,846,315)	(1,132,846,315)	(1,132,846,315)
	<u>4,280,340</u>	<u>4,247,007,247</u>	<u>1,369,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,132,846,315)</u>	<u>(1,132,846,315)</u>	<u>3,119,810,935</u>
Reversal of appropriations during the year	-	-	-	-	-	(3,691,083,696)	3,691,083,696	-	-
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,942,278,082	2,942,278,082	2,942,278,082
Other comprehensive loss	-	-	-	-	(16,401,584)	-	-	-	(16,401,584)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,401,584)</u>	<u>-</u>	<u>2,942,278,082</u>	<u>2,942,278,082</u>	<u>2,925,876,498</u>
Balance at December 31, 2024	<u>P 3,627,732,337</u>	<u>P 5,855,925,221</u>	<u>P 5,681,640</u>	<u>(P 732,664,604)</u>	<u>(P 34,689,808)</u>	<u>P 3,223,719,310</u>	<u>P 8,559,171,752</u>	<u>P 11,782,891,062</u>	<u>P 20,504,875,848</u>
Balance at January 1, 2023									
As previously reported	P 3,623,451,997	P 1,608,917,974	P 2,195,991	(P 732,664,604)	(P 13,910,501)	P 3,931,475,893	P 5,200,191,758	P 9,131,667,651	P 13,619,658,508
Effect of restatements - see Note 2	-	-	-	-	-	-	(1,367,913,922)	(1,367,913,922)	(1,367,913,922)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>2,195,991</u>	<u>(732,664,604)</u>	<u>(13,910,501)</u>	<u>3,931,475,893</u>	<u>3,832,277,836</u>	<u>7,763,753,729</u>	<u>12,251,744,586</u>
Transactions with owners:									
Cash dividend	-	-	-	-	-	-	(623,736,263)	(623,736,263)	(623,736,263)
Stock option granted	-	-	2,115,986	-	-	-	-	-	2,115,986
	<u>-</u>	<u>-</u>	<u>2,115,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(623,736,263)</u>	<u>(623,736,263)</u>	<u>(621,620,277)</u>
Appropriation of retained earnings									
Appropriations during the year	-	-	-	-	-	6,324,658,043	(6,324,658,043)	-	-
Reversal of appropriations during the year	-	-	-	-	-	(3,341,330,930)	3,341,330,930	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983,327,113</u>	<u>(2,983,327,113)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,833,441,829	2,833,441,829	2,833,441,829
Other comprehensive loss	-	-	-	-	(4,377,723)	-	-	-	(4,377,723)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,377,723)</u>	<u>-</u>	<u>2,833,441,829</u>	<u>2,833,441,829</u>	<u>2,829,064,106</u>
Balance at December 31, 2023	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>P 4,311,977</u>	<u>(P 732,664,604)</u>	<u>(P 18,288,224)</u>	<u>P 6,914,803,006</u>	<u>P 3,058,656,289</u>	<u>P 9,973,459,295</u>	<u>P 14,459,188,415</u>
Balance at January 1, 2022									
As previously reported	P 3,623,451,997	P 1,608,917,974	p -	(P 748,171,901)	(P 13,477,472)	P 172,049,912	P 6,280,269,150	P 6,452,319,062	P 10,923,039,660
Effect of restatements	-	-	-	-	-	-	(903,681,060)	(903,681,060)	(903,681,060)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>-</u>	<u>(748,171,901)</u>	<u>(13,477,472)</u>	<u>172,049,912</u>	<u>5,376,588,090</u>	<u>5,548,638,002</u>	<u>10,019,358,600</u>
Transactions with owners:									
Cash dividend	-	-	-	-	-	-	(519,780,221)	(519,780,221)	(519,780,221)
Stock option granted	-	-	3,005,840	-	-	-	-	-	3,005,840
Stock option exercised	-	-	(809,849)	15,507,297	-	-	(6,688,825)	(6,688,825)	8,008,623
	<u>-</u>	<u>-</u>	<u>2,195,991</u>	<u>15,507,297</u>	<u>-</u>	<u>-</u>	<u>(526,469,046)</u>	<u>(526,469,046)</u>	<u>508,765,758</u>
Appropriation of retained earnings									
Appropriations during the year	-	-	-	-	-	3,931,475,893	(3,931,475,893)	-	-
Reversal of appropriations during the year	-	-	-	-	-	(172,049,912)	172,049,912	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,759,425,981</u>	<u>(3,759,425,981)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year:									
Net profit for the year	-	-	-	-	-	-	2,741,584,773	2,741,584,773	2,741,584,773
Other comprehensive loss	-	-	-	-	(433,029)	-	-	-	(433,029)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(433,029)</u>	<u>-</u>	<u>2,741,584,773</u>	<u>2,741,584,773</u>	<u>2,741,151,744</u>
Balance at December 31, 2022	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>P 2,195,991</u>	<u>(P 732,664,604)</u>	<u>(P 13,910,501)</u>	<u>P 3,931,475,893</u>	<u>P 3,832,277,836</u>	<u>P 7,763,753,729</u>	<u>P 12,251,744,586</u>

See Notes to Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 3,570,373,336	P 3,813,428,136	P 3,699,105,308
Adjustments for:				
Share in net profit of subsidiaries and associates	9	(1,075,855,465)	(1,249,633,091)	(430,697,764)
Interest expense on interest-bearing loans and borrowings	22	1,643,569,313	1,991,031,136	952,523,962
Depreciation and amortization	19	137,055,472	131,323,468	115,405,442
Interest expense on bonds	22	134,677,312	66,856,481	15,444,620
Interest expense on lease liabilities	22	68,238,917	65,882,750	61,205,859
Interest income	21	(32,037,902)	(43,989,261)	(70,675,962)
Share option benefits expense	26	1,369,663	2,115,986	3,005,840
Loss (gain) on disposal of property and equipment - net	20	(1,368,905)	17,411	128,364
Operating profit before working capital changes		4,446,021,741	4,777,033,016	4,345,445,669
Decrease (increase) in receivables		(1,270,932,465)	981,471,088	1,416,174,425
Increase in contract assets		(1,483,216,720)	(7,331,000,325)	(9,130,609,048)
Decrease in real estate inventories		2,453,752,436	1,286,158,413	1,962,596,496
Decrease (increase) in deposits on land for future development		-	121,996,729	(121,996,729)
Decrease (increase) in prepayments and other current assets		(357,400,183)	(1,854,036,753)	960,574,771
Increase in other non-current assets		(317,523,187)	(449,046,103)	(879,540,808)
Increase (decrease) in trade and other payables		(1,184,617,920)	1,941,120,588	2,518,197,107
Decrease in contract liabilities		(44,354,440)	(124,474,702)	(63,833,490)
Increase (decrease) in customers' deposits		(56,770,071)	58,714,410	19,526,869
Increase (decrease) in post-employment defined benefit obligation		8,044,702	(4,831,146)	4,059,395
Cash generated from (used in) operations		2,193,003,894	(596,894,785)	1,030,594,657
Cash paid for taxes		(208,292,130)	(140,808,610)	(176,807,609)
Net Cash From (Used in) Operating Activities		1,984,711,764	(737,703,395)	853,787,048
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of equity interest in subsidiaries and associates	9	(1,601,491,824)	(1,336,593,907)	(650,822,195)
Acquisitions of investment properties	12	(1,352,860,182)	(842,441,388)	(3,989,896,837)
Acquisitions of property and equipment	10	(652,320,250)	(1,272,143,177)	(1,014,909,274)
Collections of advances to related parties	25	938,918,595	983,991,952	153,969,288
Advances to related parties	25	(904,654,024)	(201,003,147)	(625,983,003)
Dividends received	9	203,250,000	106,220,000	94,400,000
Interest received		32,037,902	43,989,261	70,675,962
Proceeds from disposal of property and equipment		2,740,603	16,474	786,310
Acquisitions of computer software	13	(1,196,947)	(1,914,986)	(3,064,324)
Net Cash Used in Investing Activities		(3,335,576,127)	(2,519,878,918)	(5,964,844,073)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of interest-bearing loans and borrowings - net	14, 32	13,789,278,958	11,434,269,173	9,978,618,073
Repayments of interest-bearing loans and borrowings	14, 32	(12,444,183,494)	(5,050,319,185)	(7,524,170,278)
Proceeds from issuances of shares - net	26	4,251,287,587	-	-
Interest paid on interest-bearing loans and borrowings		(2,832,095,112)	(2,152,046,014)	(1,546,828,245)
Cash dividends paid	26	(793,439,609)	(623,736,263)	(519,780,221)
Interest paid on bonds		(352,556,540)	(337,485,051)	(78,592,408)
Payments of lease liabilities	11, 32	(41,160,078)	(36,783,822)	(562,543)
Proceeds from reissuance of treasury stock	26	-	-	8,008,623
Proceeds from issuances of bonds - net	15, 32	-	-	4,926,627,631
Net Cash From Financing Activities		1,577,131,712	3,233,898,838	5,243,320,632
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		226,267,349	(23,683,475)	132,263,607
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		441,670,591	465,354,066	333,090,459
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 667,937,940	P 441,670,591	P 465,354,066

Supplemental Information for Non-cash Investing and Financing Activities:

- In 2024 and 2023, the Company reclassified investment property to real estate inventories amounting to P915.7 million and P1,452.0 million, respectively. In 2023, the Company also reclassified real estate inventory and deposit from purchased properties to property and equipment amounting to P13.1 million and P162.7 million, respectively (see Notes 6, 10 and 12). In 2024, the Company reclassified real estate inventory amounting P2.2 million to property and equipment. In 2022, the Company reclassified investment properties to property and equipment amounting to P1,301.0 million and reclassified real estate inventories to investment properties amounting to P12.6 million (see Note 6, 10 and 12).
- In 2024, 2023 and 2022, borrowing costs that were capitalized as part of Property and Equipment and Investment Properties amounted to P1,355.6 million, P711.1 million and P495.5 million, respectively (see Notes 10, 12, 14 and 15).
- In 2023 and 2022, the Company recognized unpaid construction costs of P60.0 million and P1,914.3 million, respectively, for the construction of Property and Equipment and Investment Properties (see Notes 10 and 12). There are no unpaid construction costs for Property and Equipment and Investment Properties in 2024.
- In 2024 and 2022, the Company recognized additional right-of-use assets and lease liabilities amounting to P5.2 million and P52.9 million, respectively. There were no additions to right-of-use asset and lease liabilities in 2023.
- In 2024, the Company reclassified portion of the investment in joint venture to non-current asset held for sale amounting to P237.8 million (see Note 9).
- In 2024, the Company declared cash dividends on Series A-1 and A-2 preferred shares amounting to P399,406,706, which will be paid in 2025 (see Note 26). The related outstanding dividends payable is presented as part of Trade and Other Payables (see Note 16).

See Notes to the Financial Statements.

CEBU LANDMASTERS, INC.
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Cebu Landmasters, Inc. (CLI or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 26, 2003. CLI is presently engaged in real estate-related activities such as real estate development, sales, leasing and property management. The Company's real estate portfolio include condominium and subdivision for residence, mixed-use properties, townships, hotels and resorts, offices, and co-living space.

The Company is a subsidiary of A B Soberano Holdings Corp. (ABS). ABS is a holding company and is incorporated and domiciled in the Philippines. ABS is primarily and currently engaged in holding activities. The registered office and principal place of business of ABS is located at 2nd Street, Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the Board of Directors (BOD) approved the Company's application for the registration of its common stocks with the SEC and application for the listing thereof in the Philippine Stock Exchange (PSE). The Company's shares were listed on the main board of the PSE on June 2, 2017 (see Note 26.2).

The registered office address of CLI, which is also its principal place of business, is located at 10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines.

1.2 Subsidiaries, Associates and Joint Venture

CLI holds ownership interests in the following subsidiaries, associates and joint venture.

Entities	Notes	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
CLI Premier Hotels Int'l. Inc. (CPH)	(a)	100%	100%
Cebu Landmasters Property Management, Inc. (CPM)	(b)	100%	100%
A.S. Fortuna Property Ventures, Inc. (ASF)	(c)	100%	100%
CLI Hotels and Resorts Inc. (CHR)	(d)	100%	100%
CLI-LITE Panglao Inc. (CLI-LITE)	(e)	88%	88%
Ming-mori Development Corporation (MDC)	(f)	78%	78%
Sugbo Prime Estate, Inc. (SPE)	(g)	64%	64%
BL CBP Ventures, Inc. (BL Ventures)	(h)	50%	50%
Yuson Excellence Soberano, Inc. (YES)	(i)	50%	50%
Yuson Huang Excellence Soberano, Inc. (YHES)	(j)	50%	50%
YHEST Realty and Development Corporation (YHEST)	(k)	50%	50%
CCLI Premier Hotels, Inc. (CCLI)	(l)	50%	50%
<i>(Forward)</i>			

Entities	Notes	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
Cebu Homegrown Developers, Inc. (CHDI)	(m)	50%	50%
YHES Premier Hotels Inc. (YHESPH)*	(n)	50%	50%
Cebu BL-Ramos Ventures Inc. (CBLRV)	(o)	50%	50%
GGTT Realty Corporation (GGTT)	(p)	50%	50%
Mivesa Garden Residences, Inc. (MGR)	(q)	45%	45%
El Camino Developers Cebu, Inc. (El Camino)	(r)	35%	35%
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(s)	43%	43%
ICOM Air Corporation (ICOM)	(t)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(u)	25%	25%
<i>Joint Venture</i>			
CLI NUD Ventures, Inc. (CLI NUD)**	(v)	30%	-

* YHESPH is a wholly owned subsidiary of YHES

**see Note 9

All of the subsidiaries, associates and joint venture of the Company are incorporated in the Philippines. The subsidiaries, associates and joint venture, except CPH, CPM, CHR, CCLI, YHESPH and ICOM, are in the same line of business as the Company. A brief description of these entities follows:

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of CLI. CPH is engaged in the real estate and hotel management business, which started commercial operations on September 14, 2019. The principal place of business of CPH is located in Cebu City.
- (b) CPM was incorporated in 2017 as a wholly owned subsidiary of CLI. CPM is engaged in the management of condominium corporations and housing associations affiliated with CLI. CPM has started commercial operations on September 1, 2017. The principal place of business of CPM is located in Cebu City.
- (c) ASF was incorporated in 2017 as a joint venture where CLI initially held 40% ownership interest. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary. The principal place of business of ASF is located in Cebu City.
- (d) CHR was incorporated on August 4, 2022 as a wholly owned subsidiary of CLI and engaged in the real estate, and hotel and resorts management. The principal place of business of CHR is located in Cebu City.
- (e) CLI-LITE was incorporated on July 19, 2021 as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (f) MDC was incorporated in 2013 as an undertaking between CLI and four other entities for the development of an economic business district. The principal place of business of MDC is located in Cebu City.

- (g) SPE was formed in 2019 as a one person corporation and was converted to an ordinary stock corporation after entering into a joint venture with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is located in Cebu City.
- (h) BL Ventures was formed by CLI and Borromeo Bros. Estate, Inc. (BBEI) to construct and operate Latitude Corporate Center. The principal place of business of BL Ventures is located in Cebu City.
- (i) YES was formed by CLI and Yuson Comm. Investments, Inc. to construct and operate Messatiera Garden Residences in Davao. The principal place of business of YES is located in Davao City.
- (j) YHES was incorporated in 2017 as an undertaking among CLI, Yuson Strategic Holdings, Inc., and Davao Filandia Realty Corp. for the development of mixed-used real estate project, the Paragon Davao. The principal place of business of YHES is located in Davao City.
- (k) YHEST was incorporated in 2018 as an undertaking among CLI and five corporations for the development of a central business district located at Matina, Davao. The principal place of business of YHEST is located in Davao City.
- (l) CCLI was incorporated in 2018 as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. CCLI started its commercial operations in June 2024. The principal place of business of CCLI is located in Bacolod City.
- (m) CHDI is an undertaking between CLI and Aboitiz Land, Inc. and was incorporated on December 5, 2019. CHDI is engaged in the development of a high-rise mixed-use condominium complex in Mandaue City, Cebu, which commenced commercial operations in 2021. Its principal place of business is in Cebu City.
- (n) YHESPH was incorporated on October 28, 2019 as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI, which owns 50% of YHES. As at December 31, 2024, YHESPH has yet to start commercial operations.
- (o) CBLRV, a new subsidiary in 2020, was incorporated on February 21, 2020 as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business also is located in Cebu City.
- (p) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City.
- (q) MGR was incorporated in 2017 as an undertaking by CLI and three corporations for the construction of buildings 6 and 7 of the Mivesa Garden Residences condominium. The principal place of business of MGR is located in Cebu City.
- (r) El Camino was incorporated in 2016 as an undertaking between CLI and four other corporations for the development of 38 Park Avenue condominium project in Cebu City. The principal place of business of El Camino is located in Cebu City.

- (s) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is also located in Iloilo City. As of December 31, 2024, IGCC has yet to commence commercial operations.
- (t) ICOM was incorporated on December 7, 2020 as an undertaking of CLI and various individual stockholders and corporations to import aircraft(s) and to operate a transportation business in the Philippines. ICOM's principal place of business is in Iloilo City.
- (u) Magspeak was incorporated in 2011 as an undertaking among CLI and four other corporations for the development of a mountain resort to be located in Balamban, Cebu. The principal place of business of Magspeak is located in Cebu City.
- (v) CLI NUD was incorporated on April 5, 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd., a Japanese company known for its mixed use residential and commercial developments, to develop a highly desirable residential condominium enclave with retail area. CLI has a committed plan to sell a portion of the CLI NUD shares it holds. Its principal place of business is located in Cebu City. As of December 31, 2024, CLI NUD has yet to commence commercial operations (see Note 9).

1.3 Approval of Issuance of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2024 (including the comparative financial statements for the years ended December 31, 2023 and 2022, were authorized for issue by the BOD on April 9, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy (BOA).

The financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *SEC Financial Reporting Reliefs Availed by the Company*

In 2023 and prior years, the Company has availed of financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Company adopted the previously deferred provision of PFRS 15, and the related issuances of the Philippine Interpretations Committee (PIC), and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods [(PAS 23), *Borrowing Costs*] using full retrospective approach, as prescribed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to clarify transitory provision.*

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

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

The adoption of the above IFRIC Agenda Decision resulted in the restatement of the following relevant financial statements accounts as at and for the years ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Finance costs	1,571,391,696
Cost of sales and services	(1,058,251,956)
Real estate inventories	(513,139,740)
Deferred tax liabilities - net	(247,475,527)
Deferred tax expense	247,475,527
<u>January 1, 2023:</u>	
Finance costs	764,215,629
Cost of sales and services	(399,977,022)
Real estate inventories	(364,238,607)
Deferred tax liabilities - net	(99,994,256)
Deferred tax expense	99,994,256

- (ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

The adoption of this interpretation resulted in the restatement of the following financial statements accounts as at and for the years ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	Increase <u>(Decrease)</u>
<u>December 31, 2023:</u>	
Sale of real estates	(1,104,059,468)
Interest income from real estate sales	1,104,059,468
<u>January 1, 2023:</u>	
Sale of real estates	(1,049,241,215)
Interest income from real estate sales	1,049,241,215

The table below shows the effects of the adoption of the previously deferred provisions in the statements of financial position as of December 31, 2023 and January 1, 2023.

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>As of December 31, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	9,093,063,224	<u>(1,552,686,574)</u>	7,540,376,650
<i>Change in liabilities and equity:</i>				
Deferred tax liabilities - net	2.1b(i)	(2,924,076,644)	(575,842,615)	(3,499,919,259)
Retained earnings	2.1b(i)	(12,101,988,484)	<u>2,128,529,189</u>	(9,973,459,295)
			<u>1,552,686,574</u>	
<u>As of January 1, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	8,591,824,122	<u>(1,039,546,834)</u>	7,552,277,288
<i>Change in liabilities and equity:</i>				
Deferred tax liabilities - net	2.1b(i)	(2,333,833,716)	(328,367,088)	(2,662,200,804)
Retained earnings	2.1b(i)	(9,131,667,651)	<u>1,367,913,922</u>	(7,763,753,729)
			<u>1,039,546,834</u>	

The effects of the restatements in the statements of profit or loss for the years ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>2023</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Real estate sales	2.1b(ii)	11,090,852,136	(1,104,059,468)	9,986,792,668
Interest income from real estate sales	2.1b(ii)	-	1,104,059,468	1,104,059,468
Cost of real estate sales	2.1b(i)	(6,148,404,773)	1,058,251,956	(5,090,152,817)
Finance costs	2.1b(i)	(556,837,615)	(1,571,391,696)	(2,128,229,311)
Tax expense	2.1b(i)	(732,510,780)	<u>(247,475,527)</u>	(979,986,307)
			<u>760,615,267</u>	
<u>2022</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Real estate sales	2.1b(ii)	11,628,922,857	(1,049,241,215)	10,579,681,642
Interest income from real estate sales	2.1b(ii)	-	1,049,241,215	1,049,241,215
Cost of real estate sales	2.1b(i)	(6,302,292,610)	399,977,022	(5,902,315,588)
Finance costs	2.1b(i)	(265,764,622)	(764,215,629)	(1,029,980,251)
Tax expense	2.1b(i)	(857,526,279)	<u>(99,994,256)</u>	(957,520,535)
			<u>464,232,863</u>	

The effects of the restatements in the statement of cash flows for the year ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>2023</u>				
<i>Change in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax		4,326,567,876	(513,139,740)	3,813,428,136
Adjustments for –				
Interest expense				
on interest				
bearing loans and				
borrowings	2.1b(i)	419,639,440	1,571,391,696	1,991,031,136
Decrease in real estate				
inventories	2.1b(i)	2,344,410,369	<u>(1,058,251,956)</u>	1,286,158,413
			<u>-</u>	
<u>2022</u>				
<i>Change in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax		4,063,343,914	(364,238,606)	3,699,105,308
Adjustments for:				
Interest expense				
on interest				
bearing loans and				
borrowings	2.1b(i)	188,308,333	764,215,629	952,523,962
Decrease in real estate				
inventories	2.1b(i)	2,362,573,519	<u>(399,977,023)</u>	1,962,596,496
			<u>-</u>	

(c) *Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Company

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Company has no sale and leaseback transactions.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in the succeeding page in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements.

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Separate Financial Statements and Investments in Subsidiaries, Associates and a Joint Venture

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements which is available to the public through the disclosures section of the PSE Edge and Company's website.

The Company assess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries, associates and joint venture are initially recognized at cost and subsequently accounted for using the equity method.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The Company's financial assets include financial assets at amortized cost.

(ii) Impairment of Financial Assets

The expected credit losses (ECL) on receivables and contract assets are estimated by a probability weighted estimate of credit losses over the expected life of the financial assets. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

For other financial assets, if the credit risk has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition.

(b) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, bonds payable, and trade and other payables [except government-related obligations, advance rental and output value-added tax (VAT)].

2.5 Non-current Assets Classified as Held for Sale

Non-current assets held for sale are measured at lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value costs to sell.

2.6 Real Estate Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the contract balances to be recognized and the cost of the repossessed property is recognized in the statement of comprehensive income.

2.7 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Buildings and parking units	20 years
Transportation equipment	5 years
Leasehold improvements	5 years
Operating equipment	3-5 years
Furniture and fixtures	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.8 Investment Property

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets of ranging from 20 to 50 years.

2.9 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties.

The Company develops real properties such as developed land, house and lot, and condominium units. The Company often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Company's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Company measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized is presented as part of Sale of Real Estate in the statement of profit or loss.

- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Sale of Real Estate in the statement of profit or loss.
- (c) *Rendering of management services* – Revenue from the rendering of management services is recognized over time as the services are provided to the client entities. The client entities are invoiced monthly as work progresses, which are also due upon receipt by them. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Company.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commissions and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. The Company presents Deferred commissions as part of Prepayment and Other Current Assets when it is expected to be expensed within 12 months after the balance sheet date. Any remaining balance is presented as part of Other Non-current Assets.

Under its contracts with customers, the Company recognizes Contract receivables, which is presented under Receivables account, when it has an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Company assesses impairment of its financial assets [see Note 2.4(a)(ii)].

In determining the transaction price, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. The significant judgment used in determining the existence of a significant financing component in the contract is disclosed in Note 3.1(c).

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position.

2.10 Leases

(a) Company as Lessee

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from two to five years.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Company as Lessor

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

2.11 Impairment of Non-financial Assets

The Company's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

2.12 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory, and administered by a trustee.

The defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) *Determining Existence of a Contract with Customer*

In a sale of real estate properties, the Company's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms).

Moreover, as part of the evaluation, the Company assesses the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(d)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) *Evaluation of Timing of Satisfaction of Performance Obligations*

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Company's enforceable right for payment for performance completed to date.

The Company determined that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Company has rights over payment for development completed to date as the Company can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(c) *Determination of the Existence of the Significant Financing Component in the Contract*

The Company enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Company's fulfillment of its performance obligations. The Company exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Company or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(d) *Determination of Collection Threshold for Revenue Recognition*

The Company uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Company determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Company. The Company considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price. Management is confident that when the collections received from the buyers exceed a certain threshold, it would be unlikely for the buyer to default and therefore, cancel the contract. Accordingly, the Company will not recognize the whole contract and no revenue will be recognized when the collection threshold is not yet reached.

(e) *Assessment Involving Right of Return*

The Company's sale of real estate under pre-completed contracts has variable consideration which is the right of return when a buyer defaulted the equity payments. Moreover, R.A. No. 6552, *Realty Installment Buyer Act* or, which is popularly known in the Philippines as the *Maceda Law*, provides a statutory obligation to the Company to refund the buyer the cash surrender value of the collections received on the property equivalent to 50% of the total collected amount, and, after five years of installments, an additional 5% every year but not to exceed 90% of the total collections received.

(f) *Determination of ECL on Receivables and Contract Assets*

The Company uses the cumulative loss rate approach to calculate ECL for trade receivables and contract assets. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Company has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

Details about the ECL on the Company's trade and other receivables are disclosed in Note 29.2.

(g) Distinction Among Investment Properties and Owner-managed Properties

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the operations.

(h) Distinction Between Inventories and Investment Properties

Real estate inventories comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company considers management's intention over these assets in making its judgment.

(i) Evaluation of Change in Use for Transfers to or from Investment Properties

The Company evaluates transfers of properties to or from its investment properties by carefully assessing changes in their use (see Notes 6 and 12). Such transfers are primarily driven by shifts in business plans, supported by tangible actions like obtaining necessary permits or preparing properties for sale. A change in management's intent alone is insufficient evidence to justify a transfer. Instead, the Company relies on objective and substantive indicators, considering all relevant facts and circumstances, to determine whether the properties meet the definition of the financial statement accounts. This judgment ensures that the classification aligns with the substance of the transactions and the Company's ordinary business activities.

(j) Distinction Between Operating and Finance Leases for Contracts where the Company is the Lessor

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, its leases are all operating leases.

(k) Distinction Between Joint Operations and Joint Ventures

The Company has entered into various joint arrangements. Critical judgment was exercised by management to distinguish each joint arrangement as either joint operations or joint ventures by looking at the rights and obligations held by an entity in relation to the arrangement.

(l) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office space, the factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

(m) Accounting for Equity Ownership Interest in Subsidiaries and Associates

In classifying its equity acquisitions as an investment in a subsidiary or associates, the Company evaluates whether control or significant influence exists. Control is present when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policy decisions.

Based on management's assessment, the Company has control over MGR and El Camino despite having ownership interests of 45% and 35%, respectively, at the time of consolidation. This control is evidenced by its direction of relevant activities and decision-making power on the operations of these entities by virtue of agreements between the stockholders.

(n) Determination of Joint Control of Arrangements and Type of Joint Arrangements

Management has assessed that the Company has joint control over CLI NUD notwithstanding that it owns more than 50% of the voting interests. This view is based on the contractual arrangement with the other shareholder requiring unanimous consent for all major decisions; hence, the Company has classified its initial 60% interest in CLI NUD as an investment in a joint venture (see Note 9). In making this decision, the Company considered the terms and conditions of the agreements, as well as the purpose and design of the joint arrangements.

Currently, the Company is in the process of selling 30% of its 60% interest in CLI NUD (see Note 9). Should the planned disposal be completed, the investment will remain classified as a joint venture in the financial statements. This reflects the ongoing joint control and the terms and conditions outlined in the shareholder agreements.

(o) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 27.

(p) *Determination of Preferred Shares as Equity or Liability*

The Company exercises judgment in classifying its preferred shares as financial liabilities or equity instruments. In making this judgment, the Company considers the specific terms and conditions of the preferred shares, including redemption and dividend rights. Based on management's assessment, the preferred shares are classified as equity securities, as the Company has the discretion to defer the payments of principal and dividends indefinitely (see Note 26.1).

(q) *Evaluation of Non-current Assets as Non-current Assets Held for Sale (NCAHFS)*

The Company determines whether its non-current assets qualify as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operation*. The key judgments made in this assessment include (a) the expected timing of the sale; (b) the likelihood of regulatory approvals required for the sale; and (c) the intention and clear commitment of management to sell the assets.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Revenue Recognition for Performance Obligations Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Company estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(c) *Determination of Appropriate Discount Rate in Measuring Significant Financing Component*

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing,' the Company bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction.

For contracts classified as 'buyer financing,' the Company estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Company is considered the borrower.

(d) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgment in the estimation of the contractual cash flows due from counterparties that the Company would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year.

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 29.2.

(e) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventory, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of real estate inventory is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's real estate inventories within the next reporting period.

Considering the Company's pricing policy, the net realizable values of real estate units for sale are higher than their related costs.

(f) *Estimation of Useful Lives of Property and Equipment, Investment Properties and Right-of-use Assets*

The Company estimates the useful lives of property and equipment, investment properties and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, right-of use assets, and investment properties are analyzed in Notes 10, 11 and 12, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of these assets during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(g) *Impairment of Non-financial Assets*

The Company's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management assessed that no impairment loss is required to be provided on its significant non-financial assets, particularly property and equipment, right-of-use assets and investment properties, as at December 31, 2024, 2023 and 2022.

(h) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by an independent actuary in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 23.3.

(i) *Fair Value Measurement of Share Options*

The Company estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 26.4, which include, among others, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price. Changes in these factors can affect the fair value of share options at grant date.

Details of employee share option plan and the amount of fair value recognized is presented in Note 26.

(j) *Fair Value Measurement for Investment Properties*

Investment properties are measured using the cost model. The fair value of investment property held for capital appreciation and to earn rental income disclosed in the financial statements is determined by the Company based on the appraisal reports of a professional and independent appraiser.

The fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Such amount is influenced by different factors including the location and specific characteristics of the property, quantity of comparable properties in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets being disclosed.

The fair value of the Company's investment properties as at December 31, 2024 and 2023 is disclosed in Notes 12 and 30.3(c).

(k) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the balance of deferred tax assets recognized as at December 31, 2024 and 2023 will be utilized in the succeeding years.

The carrying amount of the net deferred tax assets arising from unrealized foreign currency loss, retirement benefit obligation, and impairment losses as at December 31, 2024 and 2023 is disclosed in Note 24.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at December 31:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cash on hand	3,725,590	3,096,637
Cash in banks	624,698,172	393,361,510
Short-term placements	39,514,178	45,212,444
	<u>667,937,940</u>	<u>441,670,591</u>

Cash in banks (savings and demand deposits) generally earn interest at rates based on daily bank deposit rates. Short-term placements are made for varying period from 60 to 62 days and earn effective interest ranging from 4% to 5.6%, 2.5% to 3%, and 0.8% to 1.9% per annum for 2024, 2023 and 2022, respectively. Interest income earned from cash and cash is presented as part of Finance Income in the statements of profit or loss (see Note 21).

5. RECEIVABLES

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Contract receivables:			
Third parties		1,388,351,983	1,164,195,965
Related parties	25.4	837,666,834	685,584
Retention receivable		203,362,600	111,577,658
Charges to contractors and suppliers		162,038,825	109,754,180
Receivable from insurance claims		74,603,761	75,371,849
Rent receivable		67,396,957	67,016,313
Advances to officers and employees		45,374,465	36,371,824
Management fee receivable		4,302,860	3,982,960
Other receivable		109,869,426	53,078,913
		<u>2,892,967,711</u>	<u>1,622,035,246</u>

Receivables are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	2,764,806,240	1,465,941,409
Non-current	128,161,471	156,093,837
	<u>2,892,967,711</u>	<u>1,622,035,246</u>

Trade receivables mainly pertains to real estate sales and rental transactions.

Buyers of real estate properties are given two to three years to complete the amortization of their down payment, which ranges from 10% to 20% of the contract price of the real estate being purchased. Contract receivables, which are all covered by postdated checks, are only recognized when the total transaction price is reasonably assured. Generally, full payment by buyers of their equity payments is made within 24 to 48 months following the recognition of sale, which is then followed by full settlement by the buyer's chosen financing institution of the buyer's account. Title to real estate properties are transferred to the buyers once full payment has been made.

Long-term contract receivables, which are noninterest-bearing, are receivables from buyers whose equity payments are expected to be fully paid after 12 months following the end of the reporting period. These are measured at amortized cost, which is determined by discounting future cash flows using the applicable rates of similar types of instruments. The aggregate unamortized discount on noninterest-bearing contract receivables amounts to P7,975,990 and P5,309,083 as at December 31, 2024 and 2023, respectively.

In 2024, 2023 and 2022, the Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to P2,666,907, P3,751,674 and P257,332, and is presented as part of Finance Costs in the statements of profit or loss (see Note 22). On the other hand, the amortization of day-one loss of noninterest-bearing contract receivables, net of day-one loss, amounted to P1,160,937 in 2022 (nil in 2024 and 2023) and is presented as part of Finance Income.

Retention receivable represents amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A to pay off their obligations to the Company, which will be received four months to six months after release of loan.

Receivable from insurance pertains to outstanding claims filed with various insurance companies in relation to damages incurred to the insured properties of the Company.

Advances to officers and employees are composed of advances intended for the Company's operations and are subject to liquidation.

The Company assesses an ECL when the receivables from contract with customers and other counterparties are initially recognized and updates the assessment at each reporting date based on the analysis determined by management. No allowance for ECL need to be recognized in 2024, 2023 and 2022 (see Note 29.2).

6. REAL ESTATE INVENTORIES

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	2023 (As Restated – see Note 2)
Condominium units		209,186,287	269,063,334
Subdivision units		82,351,334	470,257,538
		<u>291,537,621</u>	<u>739,320,872</u>
Construction-in-progress:			
Land development costs		2,232,022,454	2,204,187,532
Housing costs		1,836,736,405	1,732,485,973
Condominium building costs		1,078,286,622	2,399,834,430
		<u>5,417,045,481</u>	<u>6,336,507,935</u>
Raw land inventory	7	<u>541,568,200</u>	<u>464,547,843</u>
		<u>6,000,151,302</u>	<u>7,540,376,650</u>

An analysis of the cost of real estate inventories included in cost of sales for the year is presented in Note 18.

Land development costs pertain to the cost of acquisition of land and site development costs of subdivision projects and other future site projects of the Company.

Housing costs pertain to the cost of house construction for the horizontal projects of the Company.

Condominium building costs consist of the cost of acquisition of land and the cost to construct the units of the vertical projects of the Company.

Raw land inventory consists of parcels of land owned by the Company that are located in various locations. These are expected to be developed into saleable condominium or subdivision units. In 2023, the Company reclassified deposits on land for future development amounting to P121,996,729 to raw land inventory, i.e. applied as part of the payment for land acquisitions that were consummated (see Note 7). There were no similar transactions in 2024.

In 2024 and 2023, the Company reclassified real estate inventories to property and equipment (see Note 10). In 2023 and 2022, the Company reclassified real estate inventories to investment properties (see Note 12). In 2023, the Company reclassified investment properties to real estate inventories (see Notes 10 and 12).

Certain real estate inventories amounting to P3,370,763,991 and P5,308,547,812 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Company (see Note 14).

Based on management's assessment, there is no allowance for write-down required to be recognized in 2024, 2023, and 2022; hence, real estate inventories are recorded at cost as at December 31, 2024 and 2023.

7. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

Deposits on land for future development pertains to advance payments for acquisitions of certain parcels of land, which are intended for future development into saleable real estate projects. As of December 31, 2022, this account has a balance of P121,996,729 which the Company has transferred to Raw Land Inventory in 2023 (see Note 6).

8. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Advances to subcontractors	1,484,413,842	1,173,327,064
Deferred commissions and incentives	1,136,472,648	1,320,763,478
Prepaid income tax	619,044,473	394,652,955
Input VAT and deferred input VAT	565,503,275	698,470,288
Advances to suppliers	407,045,567	392,560,042
Short-term investments	285,678,275	184,532,637
Prepaid expenses	53,829,771	30,281,204
Others	73,501	73,501
	<u>4,552,061,352</u>	<u>4,194,661,169</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses that were paid on behalf of subcontractors. These are applied against the billings of subcontractors.

Short-term investments pertain to escrow funds that are required to be set up in relation to the Company's compliance with the regulatory requirements for issuance of license to sell and are restricted for use in the Company's operations. The escrow funds is significantly comprised of investments in treasury bills with maturity dates of up to 12 months, earning effective interest ranging from 3% to 6.1% and 3.5% to 6% per annum in 2024 and 2023, respectively.

Prepaid expenses include advance payment for insurance and rent.

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

This account comprises the following as at December 31:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Investment in subsidiaries	9.1	10,796,513,607	9,202,644,254
Investment in joint venture	9.2	632,378,982	-
Investment in associates	9.3	152,506,038	142,489,431
		<u>11,581,398,627</u>	<u>9,345,133,685</u>

A reconciliation of the carrying amounts of investments in subsidiaries, associates and a joint venture at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	9,345,133,685	6,865,126,687
Additional investments	1,601,491,824	1,336,593,907
Reclassification to NCAHFS	(237,832,347)	-
Equity in net profit	1,075,855,465	1,249,633,091
Dividends received	(203,250,000)	(106,220,000)
Balance at end of year	<u>11,581,398,627</u>	<u>9,345,133,685</u>

9.1 Investments in Subsidiaries

A reconciliation of the carrying amounts of the investments in subsidiaries at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	9,202,644,254	6,731,567,105
Additions	718,384,708	1,315,093,907
Equity in net profit	1,078,734,645	1,262,203,242
Dividends received	(203,250,000)	(106,220,000)
Balance at end of year	<u>10,796,513,607</u>	<u>9,202,644,254</u>

9.2 Investment in a Joint Venture

A reconciliation of the carrying amounts of the investments in associates at the beginning and end of 2024 (nil in 2023) is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>
Initial investments	873,107,116
Reclassification to NCAHFS	(237,832,347)
Share in net loss during the year	(2,895,787)
Balance at end of year	<u>632,378,982</u>

As of December 31, 2024, the Company has total commitment to contribute capital to the joint venture amounting to P3,847,604,762, of which P873,107,116 has been paid.

The Company has no contingent liabilities related to the joint venture, nor has it assessed the probability of loss arising from contingent liabilities as remote.

9.3 Investments in Associates

A reconciliation of the carrying amounts of the investments in associates at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	142,489,431	133,559,582
Additions	10,000,000	21,500,000
Equity in net loss	16,607	(12,570,151)
Balance at end of year	<u>152,506,038</u>	<u>142,489,431</u>

There were no dividends received from the Company's associates and joint venture in 2024, 2023 and 2022.

9.4 Non-current Asset Held for Sale

On November 21, 2024, the BOD approved the Company's intent to sell its 30% shares in CLI NUD to ABS to share the risks and significant capital commitment involved in the joint venture, as permitted under the joint arrangement. The sale of shares is expected to be completed in the second quarter of 2025 at the original subscription price.

As a result, the management assessed that the 30% interest in CLI NUD would be recovered through a sale transaction rather than continuing use; hence, was accounted for in accordance with PFRS 5. The carrying amount of the investment amounting to P237,832,347, which is lower than its fair value less cost to sell, was presented as Non-current Asset Held for Sale in the 2024 statement of financial position. The Company did not recognize any losses in relation to this transaction in 2024.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>Building and Parking Units</u>	<u>Operating Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixture</u>	<u>Leasehold Improvements</u>	<u>Construction In Progress</u>	<u>Total</u>
December 31, 2024							
Cost	617,550,127	134,002,237	66,533,445	45,124,579	4,392,461	6,889,396,725	7,756,999,574
Accumulated depreciation and amortization	(139,815,097)	(85,332,317)	(46,143,704)	(34,983,306)	(2,843,490)	-	(309,117,914)
Net Carrying Amount	<u>477,735,030</u>	<u>48,669,920</u>	<u>20,389,741</u>	<u>10,141,273</u>	<u>1,548,971</u>	<u>6,889,396,725</u>	<u>7,447,881,660</u>
December 31, 2023							
Cost	546,791,391	122,949,665	56,101,383	44,479,066	4,392,461	5,496,193,456	6,270,907,422
Accumulated depreciation and amortization	(113,442,334)	(68,471,110)	(43,808,343)	(29,926,065)	(2,637,309)	-	(258,285,161)
Net carrying amount	<u>433,349,057</u>	<u>54,478,555</u>	<u>12,293,040</u>	<u>14,553,001</u>	<u>1,755,152</u>	<u>5,496,193,456</u>	<u>6,012,622,261</u>
January 1, 2023							
Cost	373,019,225	111,049,218	52,286,882	35,095,811	4,370,139	3,708,701,466	4,284,522,741
Accumulated depreciation and amortization	(88,891,788)	(52,185,686)	(38,939,854)	(25,346,548)	(2,432,614)	-	(207,796,490)
Net carrying amount	<u>284,127,437</u>	<u>58,863,532</u>	<u>13,347,028</u>	<u>9,749,263</u>	<u>1,937,525</u>	<u>3,708,701,466</u>	<u>4,076,726,251</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixture	Leasehold Improvements	Construction In Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	433,349,057	54,478,555	12,293,040	14,553,001	1,755,152	5,496,193,456	6,012,622,261
Additions	34,099,455	11,526,617	15,466,569	645,513	-	1,427,349,445	1,489,087,599
Disposals	-	(26,008)	(1,345,690)	-	-	-	(1,371,698)
Reclassification	36,659,280	-	-	-	-	(34,146,176)	2,513,104
Depreciation and amortization charges for the year	<u>(26,372,762)</u>	<u>(17,309,244)</u>	<u>(6,024,178)</u>	<u>(5,057,241)</u>	<u>(206,181)</u>	<u>-</u>	<u>(54,969,606)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>477,735,030</u>	<u>48,669,920</u>	<u>20,389,741</u>	<u>10,141,273</u>	<u>1,548,971</u>	<u>6,889,396,725</u>	<u>7,447,881,660</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	284,127,437	58,863,532	13,347,028	9,749,263	1,937,525	3,708,701,466	4,076,726,251
Additions	(2,003,261)	12,009,288	3,814,501	9,383,255	22,321	1,787,491,990	1,810,718,094
Disposals	-	(33,885)	-	-	-	-	(33,885)
Reclassification	175,775,427	-	-	-	-	-	175,775,427
Depreciation and amortization charges for the year	<u>(24,550,546)</u>	<u>(16,360,380)</u>	<u>(4,868,489)</u>	<u>(4,579,517)</u>	<u>(204,694)</u>	<u>-</u>	<u>(50,563,626)</u>
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>433,349,057</u>	<u>54,478,555</u>	<u>12,293,040</u>	<u>14,553,001</u>	<u>1,755,152</u>	<u>5,496,193,456</u>	<u>6,012,622,261</u>
Balance at January 1, 2022, net of accumulated depreciation and amortization	211,195,658	51,564,500	17,869,563	10,432,469	21,950	102,799,019	393,883,159
Additions	55,888,147	19,487,678	1,587,688	2,919,875	2,017,179	2,336,934,319	2,418,834,886
Disposals	-	(94,092)	(4,192,326)	-	-	-	(4,286,418)
Reclassification	32,066,847	-	-	-	-	1,268,968,128	1,301,034,975
Depreciation and amortization charges for the year	<u>(15,023,215)</u>	<u>(12,094,554)</u>	<u>(1,917,897)</u>	<u>(3,603,081)</u>	<u>(101,604)</u>	<u>-</u>	<u>(32,740,351)</u>
Balance at December 31, 2022, net of accumulated depreciation and amortization	<u>284,127,437</u>	<u>58,863,532</u>	<u>13,347,028</u>	<u>9,749,263</u>	<u>1,937,525</u>	<u>3,708,701,466</u>	<u>4,076,726,251</u>

Construction in progress pertains to costs incurred by the Company, including applicable borrowing costs, in relation to its ongoing development of its hotels and resorts, which are expected to be completed on dates ranging from 2025 to 2027. These assets are not depreciated until such time they are completed and available for use.

Depreciation and amortization expenses on property and equipment is presented as part of Operating Expenses in the statements of profits or loss (see Note 19).

In 2024, the Company reclassified Real Estate Inventory and Investment Property with carrying amount of P2,200,604 and P312,500, respectively, to Building and Parking Units (see Notes 6 and 12). In 2023, the Company reclassified Real Estate Inventory and Deposit from Purchased Properties with a carrying amount of P13,080,558 and P162,694,869, respectively, to Building and Parking Units. These properties are currently being used as staff houses for the Company's employees.

In 2022, the Company reclassified certain retail buildings previously presented as Investment Properties with an aggregate amount of P1,301,034,975 to Property and Equipment (see Note 12). These pertain to the ongoing construction of buildings which will be used in hotel operations and for administrative purposes.

Borrowing costs that are capitalized as part of property and equipment amounted to P806,119,068, P515,412,919, and P413,771,181 in 2024, 2023, and 2022 respectively, which represents the interest incurred on loans and corporate notes obtained to fund the construction projects (see Note 14). Capitalization rate used for the borrowings ranges from 5.50% to 9.50%, 4.75% to 9.25%, and 4.00% to 8.00% in 2024, 2023, and 2022 respectively.

Property and equipment with a total carrying amount of P6,568,090,991 and P5,446,829,75 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans and borrowings (see Note 14).

As at December 31, 2024 and 2023, the cost of the Company's fully-depreciated property and equipment that are still used in operations amounts to P119,926,568 and P113,057,781, respectively.

11. LEASES

The Company entered into lease contracts, as lessee, for leases of land. With the exception of short-term leases and leases of low-value underlying assets, each lease is presented in the statement of financial position as Right-of-use Assets and the corresponding obligation as Lease Liabilities. Variable lease payments which do not depend on an index, or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For the lease on the land, the Company must insure all the improvements made on the property.

The table below presents a summary of the Company's leasing activities for parcels of land, which are recognized as right-of-use assets in the statements of financial position.

	Number of right-of-use asset leased	Range of remaining term	Number of leases with extension option	Number of lease with purchase option	Number of leases with termination option
December 31, 2024	4	19 to 36 years	-	-	-
December 31, 2023	3	29 to 39 years	-	-	-

11.1 Right-of-use Assets

The carrying amounts of the Company's right-of-use assets as at December 31, 2024 and 2023 and the movements during the year are shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cost		
Balance at beginning of year	980,338,540	980,062,635
Additions	5,176,040	-
Amendment of lease contract	-	275,905
Balance at end of year	985,514,580	980,338,540
Accumulated amortization		
Balance at beginning of year	92,735,285	69,312,681
Amortization	25,524,279	23,422,604
Balance at end of year	118,259,564	92,735,285
Carrying amount	867,255,016	887,603,255

11.2 Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	41,197,368	37,685,586
Non-current	968,523,528	939,780,431
	<u>1,009,720,896</u>	<u>977,466,017</u>

The Company is fully liable for the rentals on the remaining term of the lease of office space, including any interest, penalties, utility charges and damages for termination prior to expiration of the contract. The contracts of lease on land does not provide for any future lease termination and extension options. The undiscounted maturity analysis of lease liabilities are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Gross payments		
Within one year	41,197,368	37,685,586
From one to two years	54,676,118	40,551,343
From two to three years	55,793,620	53,991,333
From three to four years	56,693,315	55,067,747
From four to five years	57,876,137	56,693,315
More than five years	3,093,467,476	3,151,343,613
	<u>3,359,704,034</u>	<u>3,395,332,937</u>
Total finance charge	<u>(2,349,983,138)</u>	<u>(2,417,866,920)</u>
Net present value	<u>1,009,720,896</u>	<u>977,466,017</u>

11.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize lease liability for short-term leases or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to short-term leases and low-value assets is presented as Rent as part of Operating Expenses in the statements of profit or loss (see Note 19).

11.4 Additional Profit or Loss and Cash Flow Information

The total cash outflows in respect of leases amounted to P41,160,078, P36,783,822 and P562,543 in 2024, 2023 and 2022, respectively. The interest expense in relation to lease liabilities are presented as part of Finance Costs in the statements of profit or loss (see Note 22).

12. INVESTMENT PROPERTIES

The Company's investment properties include condominium units and retail building. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2024 and 2023 are shown below.

	<u>Rent Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Construction in Progress</u>	<u>Total</u>
December 31, 2024					
Costs	819,261,641	804,566,616	31,371,804	9,172,898,121	10,828,098,182
Accumulated depreciation	<u>(118,256,905)</u>	<u>(170,900,898)</u>	<u>(12,236,722)</u>	<u>-</u>	<u>(301,394,525)</u>
Carrying amount	<u>701,004,736</u>	<u>633,665,718</u>	<u>19,135,082</u>	<u>9,172,898,121</u>	<u>10,526,703,657</u>
December 31, 2023					
Costs	818,087,172	804,566,616	31,371,804	8,167,614,923	9,821,640,515
Accumulated depreciation	<u>(94,143,690)</u>	<u>(145,870,372)</u>	<u>(10,668,132)</u>	<u>-</u>	<u>(250,682,194)</u>
Carrying amount	<u>723,943,482</u>	<u>658,696,244</u>	<u>20,703,672</u>	<u>8,167,614,923</u>	<u>9,570,958,321</u>
January 1, 2023					
Costs	777,095,974	804,566,616	31,371,804	8,525,649,180	10,138,683,574
Accumulated depreciation	<u>(71,367,624)</u>	<u>(120,839,845)</u>	<u>(9,099,542)</u>	<u>-</u>	<u>(201,307,011)</u>
Carrying amount	<u>705,728,350</u>	<u>683,726,771</u>	<u>22,272,262</u>	<u>8,525,649,180</u>	<u>9,937,376,563</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of years 2024, 2023 and 2022 is shown below.

	<u>Rent Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2024, net of accumulated depreciation	723,943,482	658,696,244	20,703,672	8,167,614,923	9,570,958,321
Additions	-	-	-	1,922,497,859	1,922,497,859
Reclassifications	1,174,469	-	-	(917,214,661)	(916,040,192)
Depreciation during the year	<u>(24,113,215)</u>	<u>(25,030,526)</u>	<u>(1,568,590)</u>	<u>-</u>	<u>(50,712,331)</u>
Balance at December 31, 2024, net of accumulated depreciation	<u>701,004,736</u>	<u>633,665,718</u>	<u>19,135,082</u>	<u>9,172,898,121</u>	<u>10,526,703,657</u>
Balance at January 1, 2023, net of accumulated depreciation	705,728,350	683,726,771	22,272,262	8,525,649,180	9,937,376,563
Additions	40,991,198	-	-	1,094,007,916	1,134,999,114
Reclassifications	-	-	-	(1,452,042,173)	(1,452,042,173)
Depreciation during the year	<u>(22,776,066)</u>	<u>(25,030,527)</u>	<u>(1,568,590)</u>	<u>-</u>	<u>(49,375,183)</u>
Balance at December 31, 2023, net of accumulated depreciation	<u>723,943,482</u>	<u>658,696,244</u>	<u>20,703,672</u>	<u>8,167,614,923</u>	<u>9,570,958,321</u>
Balance at January 1, 2022, net of accumulated depreciation	727,535,090	695,622,048	23,840,898	4,831,135,183	6,278,133,219
Additions	250,000	-	-	4,995,548,972	4,995,798,972
Reclassifications	-	12,559,602	-	(1,301,034,975)	(1,288,475,373)
Depreciation during the year	<u>(22,056,740)</u>	<u>(24,454,879)</u>	<u>(1,568,636)</u>	<u>-</u>	<u>(48,080,255)</u>
Balance at December 31, 2022, net of accumulated depreciation	<u>705,728,350</u>	<u>683,726,771</u>	<u>22,272,262</u>	<u>8,525,649,180</u>	<u>9,937,376,563</u>

In 2024 and 2023, the Company reclassified investment property to real estate inventories amounting to P915,727,692 and P1,452,042,173 (see Note 6). The Company reclassified investment property amounting to P312,500 and P1,174,469 to property and equipment and Rent Building in 2024. In 2022, the Company reclassified investment properties to property and equipment amounting to P1,301,034,975 (see Note 10) and reclassified real estate inventories to investment properties amounting to P12,559,602 (see Note 6). Reclassifications to real estate inventories were made as a result of the change in the use of the properties from being held for lease to being held for sale. The changes are evidenced by modifications in business and development plans, securing necessary permits, commencement of marketing activities to sell the properties and obtaining reservations from customers.

On the other hand, for properties reclassified to property and equipment, the Company determined that these assets were no longer intended to be leased. Instead, they are now designated for use in the Company's operations, as evidenced by their integration into the Company's business plans and operational activities.

Income and expenses from investment properties for the years ended December 31, 2024, 2023 and 2022 are presented below.

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Rental income:				
Retail building		87,119,947	66,607,395	58,487,878
Condominium units		23,740,241	30,439,823	16,342,653
Parking units		2,824,677	823,682	922,042
Others		141,296	3,642,292	-
	17.1	<u>113,826,161</u>	<u>101,513,196</u>	<u>75,752,573</u>
Expenses:				
Depreciation	18	50,712,332	49,375,183	48,080,255
Others	18	-	793,674	-
		<u>50,712,332</u>	<u>50,168,857</u>	<u>48,080,255</u>

Investment properties have a total fair value of P11,515,966,121 and P10,480,049,923 as at December 31, 2024 and 2023, respectively, based on the appraisal done by an independent expert [see Note 30.3(c)]. On the basis primarily of the foregoing valuations, management has assessed that no impairment loss is required to be provided on the Company's investment properties as at December 31, 2024 and 2023 [see Note 3.2(g)].

Investment property with a total carrying amount of P5,393,442,095 and P5,641,374,289 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Company (see Note 14).

Borrowing costs that are capitalized as part of investment property amounted to P549,434,669, P255,688,202, and P81,741,424 in 2024, 2023, and 2022 respectively, which represented the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 14). The capitalization rate used for the borrowing ranges from 5.50% and 9.50%, 4.75% to 9.25% and 4.00% and 8.00% for the years ended December 31, 2024, 2023, and 2022 respectively.

13. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Notes	<u>2024</u>	<u>2023</u>
Deferred commission	17.3	1,155,971,774	822,527,957
Advances to subcontractors		521,781,528	540,406,800
Refundable deposits		142,915,985	135,422,187
Computer software - net		19,553,095	25,314,992
Investment in equity securities		9,375,002	9,375,002
Deposits for purchased properties	25.3	1,478,338	169,252
Deferred input VAT		-	4,624,926
Others		979,000	1,342,728
		<u>1,852,054,722</u>	<u>1,539,183,844</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of investment properties. These are applied against the progress billings of subcontractors.

Refundable deposits pertain to recoverable payments by the Company which are expected to be realized at the end of the term of the agreement. These are measured at amortized cost.

The gross carrying amounts and accumulated amortization of Computer software at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cost	66,448,992	65,252,045
Accumulated amortization	<u>(46,895,897)</u>	<u>(39,937,053)</u>
Carrying amount	<u>19,553,095</u>	<u>25,314,992</u>

Total additions to computer software amounted to P1,196,947, P1,914,986 and P3,064,324 in 2024, 2023 and 2022, respectively. The amortization expense on the computer software amounted to P6,958,844, P7,962,055 and P8,831,626 in 2024, 2023 and 2022, respectively, and is presented as part of Depreciation and amortization under Operating Expenses in the statements of profit or loss (see Note 19).

Deposit for purchased properties pertains to the condominium units purchased by the Company under pre-completed contracts. Upon completion, the Company intends to use these properties.

14. INTEREST-BEARING LOANS AND BORROWINGS

The outstanding balance of interest-bearing loans and corporate notes are presented in the statement of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Current:			
Bank loans	14.1	6,005,486,476	8,951,962,280
Corporate notes	14.2	2,537,500,000	1,491,666,667
		<u>8,542,986,476</u>	<u>10,443,628,947</u>
Non-current:			
Bank loans	14.1	21,622,336,113	15,764,013,957
Corporate notes	14.2	7,237,335,826	9,750,043,838
		<u>28,859,671,939</u>	<u>25,514,057,795</u>
		<u>37,402,658,415</u>	<u>35,957,686,742</u>

14.1 Bank Loans

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	24,715,976,237	17,118,897,631
Proceeds and drawdowns - net	13,789,278,958	11,434,269,173
Repayments	(10,952,516,827)	(3,932,759,661)
Amortization of debt issue costs	75,084,221	95,569,094
Balance at end of year	<u>27,627,822,589</u>	<u>24,715,976,237</u>

A reconciliation of the unamortized debt issue cost at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	118,299,741	77,970,874
Debt issue costs from new loans	72,121,408	135,897,962
Amortization of debt issue costs	(75,084,221)	(95,569,095)
Balance at end of year	<u>115,336,928</u>	<u>118,299,741</u>

The loans bear interest rates per annum ranging from 5.25% to 9.50%, 4.75% to 9.25%, and 4.00% to 7.50% in 2024, 2023, and 2022, respectively. Certain loans are collateralized by the certain projects for which the loans were obtained. The cost of such projects aggregating to P15,332,297,077 and P16,396,751,857 as at December 31, 2024 and 2023, respectively, are included in the Real Estate Inventories, Property and Equipment, and Investment Properties accounts in the statements of financial position (see Notes 6, 10 and 12).

The loans bear interest ranging from 5.25% to 9.25%, 4.75% to 9.25%, and 4.00% to 7.50% in 2024, 2023, and 2022 respectively. Total interest incurred from the foregoing loans, amounted to P2,146,838,387, P1,543,769,115 and P747,764,300 in 2024, 2023 and 2022, respectively, and of which P778,449,583, P431,843,778 and P199,770,387, respectively, were capitalized as part of Property and Equipment and Investment Properties (see Notes 10 and 12). Capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 5.25% to 8.75%, 4.75% to 9.25% and 4.00% to 7.50% in 2024, 2023, and 2022 respectively.

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

14.2 Corporate Notes

The Company and various financial institutions executed a Notes Facility Agreement (NFA) for the issuance of long-term corporate notes (LTCN) totaling P13,000,000,000 and two short-dated notes (SDN) amounting to P2,000,000,000 and P3,000,000,000, respectively.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	11,241,710,505	12,334,545,777
Repayments	(1,491,666,667)	(1,117,559,524)
Amortization of debt issue costs	24,791,988	24,724,252
Balance at end of year	<u>9,774,835,826</u>	<u>11,241,710,505</u>

The NFA is composed of the following tranches:

<i>(Amounts in PHP)</i>				
	<u>Date</u>	<u>Tranche</u>	<u>Tenor</u>	<u>Principal Amount</u>
LTCN	07/20/2018	Series A	Seven years	2,500,000,000
		Series B	Ten years	1,000,000,000
		Series C	Ten years with repricing on the interest rate re-setting date	1,500,000,000
	03/05/2020	Series D	Five years	1,300,000,000
		Series E	Seven years	5,700,000,000
		Series F	Ten years	1,000,000,000
				<u>13,000,000,000</u>
SDN	10/25/2019	SDN 1	18 months from drawdown date	2,000,000,000
		SDN 2	18 months from drawdown date	3,000,000,000
				<u>5,000,000,000</u>

The Company made the following drawdowns from the NFA.

<i>(Amounts in PHP)</i>				
<u>Year</u>	<u>Tranche</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
2021	SDN 2	3.88%	November 2022	<u>3,000,000,000</u>
2020	Series D	3.46%	September 2025	1,300,000,000
	Series E	3.54% - 4.66%	April 2027	5,700,000,000
	Series F	4.23% - 5.23%	March 2030	<u>1,000,000,000</u>
				<u>8,000,000,000</u>
2019	Series A	7.25%	January 2026	2,000,000,000
	SDN 1	4.75%	April 2021	<u>2,000,000,000</u>
				<u>4,000,000,000</u>
2018	Series A	7.25%	December 2025	500,000,000
	Series B	6.63%	August - September 2028	1,000,000,000
	Series C	6.75%	October - December 2028	<u>1,500,000,000</u>
				<u>3,000,000,000</u>

In 2021 the Company recognized debt issuance costs for new NFA amounting to P27,236,842, which has a carrying amount of P52,842,744 and P77,634,734 as at December 31, 2024 and 2023, respectively, in relation to the drawdowns from the NFA. The debt issuance cost amortization in 2024, 2023 and 2022 amounted to P24,791,988, P24,724,251 and P40,007,146, respectively. The debt issuance costs are deducted from the fair value or issue price of the note.

The total interest incurred related to the NFA, including amortization of debt issuance cost, amounted to P606,939,694, P667,255,268 and P836,758,484 in 2024, 2023 and 2022, respectively, of which P369,697,770, P236,252,622 and P273,786,274 was capitalized as part of Property and Equipment and Investment Properties in 2024, 2023 and 2022, respectively (see Notes 10 and 12).

The total interest expense related to the above loans, which are included as part of Finance Costs in the statements of profit or loss (see Note 22).

The total accrued interest on bank loans and corporate notes amounted to P165,362,057 and P165,362,057 as at December 31, 2024 and 2023, respectively, and is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 16).

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

15. BONDS PAYABLE

On September 23, 2022, CLI registered with the SEC its debt securities program of P15,000,000,000 fixed rate bonds, which will be offered in one or more tranches within three years.

On October 7, 2022, the Company issued the first tranche of its fixed rate bonds amounting to P5,000,000,000 and was listed with the Philippine Dealing & Exchange Corp. (PDEX). The bonds have been rated “PRS Aa plus” with a stable outlook by PhilRatings and are comprised of the following tenors:

- Series A – maturity of 3.5 years and a coupon rate of 6.4222%;
- Series B – maturity of 5.5 years and a coupon rate of 6.9884%; and,
- Series C – maturity of 7 years and a coupon rate of 7.3649%.

In 2022, the Company recognized bond issuance costs amounting to P73,372,369 in relation to the issuance of the first tranche of the bonds, which has a carrying amount of P35,231,074 and P52,177,479 as at December 31, 2024 and 2023, respectively. In 2023, the Company capitalized a portion of the amortization of bond issuance costs amounting to P13,775,773 as part of real estate inventory, property and equipment and investment property. No similar capitalization was made in 2022. The Company expensed the amortization amounting to P3,170,672 and P3,158,387, in 2024 and 2023, respectively.

The total interest incurred related to the bonds, including amortization of bond issuance cost, amounted to P352,556,540, P357,691,033, and P82,547,408 in 2024, 2023, and 2022 respectively, of which P207,406,384, P102,974,721, and P21,955,944 was capitalized as part of construction costs in 2024, 2023, and 2022 respectively. In 2024 and 2023, the Company recognized interest expense amounting to P134,677,312, P66,856,481, and P15,444,620 respectively, (see Note 22).

Capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.89% to 7.64% and from 6.89% to 7.64% in 2024 and 2023, respectively.

The Company is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio ranging from 2.5:1 to 3.0:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Company is compliant with the requirements.

16. TRADE AND OTHER PAYABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current:			
Unbilled construction costs		5,555,479,989	7,413,695,902
Trade payables		3,070,622,920	2,935,361,656
Sales commissions payable		2,988,113,625	2,737,881,417
Retention payable		541,165,109	741,489,590
Dividends payable	26	339,406,706	-
Accrued expenses	14	280,625,981	226,069,294
Due to related parties	25.2	66,018,130	60,834,175
Government-related obligations		42,038,290	65,655,634
Output VAT		15,839,978	39,027,257
Other payables		6,086,822	3,910,324
		<u>12,905,397,550</u>	<u>14,223,925,249</u>
Non-current:			
Retention payable		478,402,441	140,513,947
Advance rental		31,695,903	24,267,048
Security deposits from tenants		22,699,729	19,931,968
Accrued land cost		6,304,042	6,304,042
Other payables		10,908,824	2,500,063
		<u>550,010,939</u>	<u>193,517,068</u>
		<u>13,455,408,489</u>	<u>14,417,442,317</u>

Unbilled construction costs pertain to obligations to contractors for services already performed but not yet billed to the Company.

Trade payables mainly represent outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials for the Company's projects.

Sales commissions payable pertains to estimated obligations to agents.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. A portion of the amount retained that is not expected to be paid within 12 months from the end of the reporting period is presented as part of non-current liabilities in the statements of financial position.

Accrued expenses pertain to accruals for contracted services, security services, professional fees, and other recurring accruals in the Company's operations.

17. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

17.1 Disaggregation of Contract Revenues

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical areas:

<i>(Amounts in PHP)</i>	Cebu	Visayas	Mindanao	Luzon	Total
2024					
<i>Sales of real estate units and interest income</i>					
Over time	3,098,778,856	1,634,519,974	3,939,692,259	855,669,206	9,528,660,295
At a point in time	285,967,977	116,497,812	928,846,332	6,410,000	1,337,722,121
	<u>3,384,746,833</u>	<u>1,751,017,786</u>	<u>4,868,538,591</u>	<u>862,079,206</u>	<u>10,866,382,416</u>
<i>Lease of properties</i>					
Over time	113,826,161	-	-	-	113,826,161
<i>Render of management services</i>					
Over time	70,124,722	31,733,387	44,791,913	-	146,650,022
	<u>3,568,697,716</u>	<u>1,782,751,173</u>	<u>4,913,330,504</u>	<u>862,079,206</u>	<u>11,126,858,599</u>
2023					
<i>Sale of real estate units and interest income</i>					
Over time	5,851,080,829	3,007,663,343	1,457,391,813	544,680,899	10,860,816,884
At a point in time	17,677,346	139,887,766	49,590,140	22,880,000	230,035,252
	<u>5,868,758,175</u>	<u>3,147,551,109</u>	<u>1,506,981,953</u>	<u>567,560,899</u>	<u>11,090,852,136</u>
<i>Lease of properties</i>					
Over time	101,513,196	-	-	-	101,513,196
<i>Render of management services</i>					
Over time	75,098,972	24,874,604	54,403,224	-	154,376,800
	<u>6,045,370,343</u>	<u>3,172,425,713</u>	<u>1,561,385,177</u>	<u>567,560,899</u>	<u>11,346,742,132</u>
2022					
<i>Sale of real estate units and interest income</i>					
Over time	4,896,280,081	3,514,891,401	2,837,004,591	7,441,250	11,255,617,323
At a point in time	270,421,612	30,553,637	29,351,185	42,979,100	373,305,534
	<u>5,166,701,693</u>	<u>3,545,445,038</u>	<u>2,866,355,776</u>	<u>50,420,350</u>	<u>11,628,922,857</u>
<i>Lease of properties</i>					
Over time	75,752,573	-	-	-	75,752,573
<i>Render of management services</i>					
Over time	76,944,068	11,948,758	53,039,115	-	141,931,941
	<u>5,319,398,334</u>	<u>3,557,393,796</u>	<u>2,919,394,891</u>	<u>50,420,350</u>	<u>11,846,607,371</u>

17.2 Contract Balance

The breakdown of contract balances is as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Contract assets	34,200,985,217	32,717,768,497
Contract liabilities	(120,537,515)	<u>(164,891,955)</u>
Contract assets - net	<u>34,080,447,702</u>	<u>32,552,876,542</u>

The Company recognizes a contract asset when the performance of property development is ahead of the collection of the consideration.

Contract assets is presented in the statements of financial position as follows.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	15,436,691,263	19,482,468,256
Non-current	18,764,293,954	<u>13,235,300,241</u>
	<u>34,200,985,217</u>	<u>32,717,768,497</u>

A reconciliation of the opening and closing balance of Contract Assets in 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	32,717,768,497	25,386,768,172
Performance of property development	9,570,886,121	9,784,317,740
Collections	(4,993,530,782)	(3,578,808,879)
Transfers to contract receivables	(4,216,136,303)	-
Accretion of interest income	1,121,997,684	<u>1,125,491,464</u>
Balance at end of year	<u>34,200,985,217</u>	<u>32,717,768,497</u>

The Company recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Its classification and presentation in the statements of financial position is based on the Company's estimate of project completion; hence, any change in estimated completion period affects transfers to contracts receivables.

A reconciliation of the carrying amounts of contract liabilities at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	164,891,955	289,366,657
Revenue recognized that was included in contract liability at the beginning of year	(136,074,559)	(202,474,928)
Accretion of interest expense	57,782,158	21,431,996
Increase due to cash received excluding amount recognized as revenue during the year	33,937,961	56,568,230
Balance at end of year	<u>120,537,515</u>	<u>164,891,955</u>

Contract liabilities pertain to collections from buyers that are ahead of the stage of completion of the real estate units sold. Collections from buyers on sale of real estate units where the gating criteria for recognition of sales contract have yet to be met are accounted as Customers' Deposits, which amounted to P78,940,908 and P135,710,979 as at December 31, 2024 and 2023, respectively.

17.3 Direct Contract Cost

The Company incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Non-current Assets accounts in the statements of financial position (see Notes 8 and 13). These are amortized over the expected construction period on the same basis as how the Company measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as Commissions and incentives under Operating Expenses (see Note 19).

The Company's deferred commission are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current	8	1,136,472,648	1,320,763,478
Non-current	13	1,155,971,774	822,527,957
		<u>2,292,444,422</u>	<u>2,143,291,435</u>

The movement in balances of deferred commission in 2024 and 2023 is presented below:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		2,143,291,435	650,746,260
Additional capitalized cost		771,759,655	2,130,550,858
Amortization for the year	19	(622,606,668)	(638,005,683)
Balance at end of year		<u>2,292,444,422</u>	<u>2,143,291,435</u>

17.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as at December 31, 2024 and 2023 is P15,674,554,732 and P16,714,681,514, respectively. As at December 31, 2024 and 2023, the Company expects to recognize revenue from unsatisfied contracts as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within a year	10,922,224,589	11,250,735,558
More than one year to three years	4,752,330,143	5,463,945,956
	<u>15,674,554,732</u>	<u>16,714,681,514</u>

18. COSTS OF SALES AND SERVICES

Components of costs of sales and services are analyzed below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u> (As restated – see Note 2)	<u>2022</u> (As restated – see Note 2)
Cost of real estate sales:				
Materials and contracted labor	19	3,613,585,028	4,089,277,859	4,862,911,114
Land cost	19	854,459,426	755,964,353	832,338,731
Other costs		210,088,028	194,741,748	158,985,487
		<u>4,678,132,482</u>	5,039,983,960	5,854,235,332
Cost of rental services:				
Depreciation	12	50,712,332	49,375,183	48,080,256
Real property taxes	12	-	793,674	-
		<u>50,712,332</u>	50,168,857	48,080,256
		<u>4,728,844,814</u>	5,090,152,817	5,902,315,588

Cost of real estate sales include contracted services, cost of land, capitalizable borrowing costs and other costs incidental to housing and condominium projects development as shown in Note 19. Contracted services pertain to the constructions contracts which are related to construction labor and materials for the units sold.

19. COSTS AND EXPENSES BY NATURE

The details of costs and expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As restated – see Note 2)	2022 (As restated – see Note 2)
Materials and contracted labor	18	3,613,585,028	4,089,277,859	4,862,911,114
Land cost	18	854,459,426	755,964,353	832,338,731
Salaries and employee benefits	23.1	681,556,121	607,390,097	515,728,192
Commissions and incentives	8	622,606,668	638,005,683	627,869,052
Taxes and licenses		286,677,396	135,632,710	208,560,487
Depreciation and amortization	11.1, 12,13	137,055,472	131,323,468	115,405,442
Penalties		85,971,555	22,366,855	2,874,976
Security and janitorial services		64,148,500	39,950,608	22,184,525
Advertising		60,358,047	62,677,462	45,305,124
Utilities		53,367,845	33,787,485	23,937,928
Selling expense		40,212,545	17,021,412	4,812,800
Transportation and travel		39,679,747	26,138,770	22,685,610
Insurance		38,835,892	32,814,534	19,446,501
Professional and legal fees		30,441,340	20,567,022	24,661,729
Representation and entertainment		28,133,114	32,410,097	30,874,801
Subscriptions and membership dues		25,393,564	16,922,321	12,993,887
Repairs and maintenance		23,659,150	20,897,167	13,212,227
Rent	11, 27.2	22,322,080	54,044,006	61,972,854
Supplies		21,053,026	15,537,631	16,598,691
Fuel and lubricants		9,543,359	7,474,661	9,876,935
Communications		8,528,492	6,434,035	5,556,960
Trainings and seminars		5,038,038	1,594,705	1,463,617
Donations		519,749	6,020,619	3,253,849
Others		353,587,704	284,873,299	287,015,458
		<u>7,106,733,858</u>	<u>7,059,126,859</u>	<u>7,771,541,490</u>

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

<i>(Amounts in PHP)</i>	Note	2024	2023 (As restated – see Note 2)	2022 (As restated – see Note 2)
Cost of sales and services	18	4,728,844,814	5,090,152,817	5,902,315,588
Operating expenses		<u>2,377,889,044</u>	<u>1,968,974,042</u>	<u>1,869,225,902</u>
		<u>7,106,733,858</u>	<u>7,059,126,859</u>	<u>7,771,541,490</u>

20. OTHER OPERATING INCOME AND OTHER LOSSES

20.1 Other Operating Income

This account is composed of the following:

<i>(Amounts in PHP)</i>	2024	2023	2022
Administrative charges	109,928,863	125,496,612	63,889,484
Move-in fee income	89,155,816	-	26,488,948
Commitment fee	39,281,838	39,655,599	13,716,111
Water service fee	35,761,259	16,337,568	14,260,920
Documentation fee	23,250,000	23,192,879	10,039,993
Sponsorships	10,290,486	14,056,920	7,957,554
Utilities charged to tenants	12,449,190	10,723,514	3,902,053
Late payment penalties charged to customers	5,785,376	9,139,667	6,057,854
Scrap sales	1,681,223	2,163,848	2,017,777
Foreign exchange gains	2,071,162	1,338,935	4,262,002
Referral incentive	2,191,861	1,141,985	1,720,250
Reversal of payables	-	115,283,578	-
Reservation fees foregone	-	125,403	187,047
Others	<u>14,428,834</u>	<u>4,996,331</u>	<u>4,398,115</u>
	<u>346,275,908</u>	<u>363,652,839</u>	<u>158,898,108</u>

Administrative charges pertain to standard fees charged to the buyers when they withdraw from the sale.

Move-in fee income pertain to excess fees charged to real estate buyers upon turn-over of their units over the cost of services to make the buyers' units habitable which include requisition of building insurance and fire extinguisher, processing of related taxes, utility connections and others.

Water service fee pertains to fees charged to home or unit-owners of the turned-over units and condominium projects.

Reversal of payables pertains to outstanding payables related to advances from buyers in excess of the paid transfer charges and move-in fees which are not refunded to the buyers. It also includes outstanding payables from cancelled contracts with certain building contractors and suppliers which the Company is no longer required to pay and income from the write-off of long-outstanding unidentified deposits.

20.2 Other Losses

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Foreign exchange losses	2,623,145	3,215,606	6,380,520
Loss (gain) on sale of assets - net	(1,368,905)	17,411	(128,364)
Others	22,558,752	-	-
	<u>23,812,992</u>	<u>3,233,017</u>	<u>6,252,156</u>

Others pertain to various costs incurred by the Company that are not directly attributable to issuance of Series A-1 and A-2 preferred shares in 2024.

21. FINANCE INCOME

This is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u> (As Restated – see Note 2)	<u>2022</u> (As Restated – see Note 2)
Interest income on:				
Advances to related parties	25.1	22,206,219	32,371,122	58,794,923
Banks	4	9,831,683	11,618,139	11,881,039
		<u>32,037,902</u>	<u>43,989,261</u>	<u>70,675,962</u>

22. FINANCE COSTS

This is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u> (As Restated – see Note 2)	<u>2022</u> (As Restated – see Note 2)
Interest expense on:				
Interest-bearing				
loans	14	1,643,569,313	1,991,031,136	952,523,962
Bonds	15	134,677,312	66,856,481	15,444,620
Lease liabilities	11.4	68,238,917	65,882,750	61,205,859
Deficiency taxes		28,417,950	-	-
Post-employment				
defined obligation	23.3	636,230	428,176	241,469
Day-one loss, net of				
amortization	5	2,666,907	3,751,674	257,332
Bank charges		1,901,059	279,094	307,009
		<u>1,880,107,688</u>	<u>2,128,229,311</u>	<u>1,029,980,251</u>

Interest expense on loans is the portion not capitalized as part of real estate inventories, property and equipment or investment properties (see Notes 6, 10, and 12).

23. EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits (see Note 19) are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term employee				
benefits		672,777,986	600,634,984	508,138,583
Post-employment				
defined benefit	23.3	7,408,472	4,639,127	4,583,769
Share options	23.2			
	26.4	1,369,663	2,115,986	3,005,840
	19	<u>681,556,121</u>	<u>607,390,097</u>	<u>515,728,192</u>

23.2 Employee Share Option

Employee share option expense, included as part of Salaries and employee benefits expense under the Operating Expenses account in the statements of profit or loss, amounted to P1,369,663 in 2024 and P2,115,986 in 2023 (see Note 23.1), while the corresponding cumulative credit to Share Options Outstanding account is presented under the Equity section of the statements of financial position (see Note 26.4). There was no similar transaction in 2021.

23.3 Post-Employment Benefit Plan

(a) *Characteristics of the Defined Benefit Plan*

The Company maintains a funded and non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Company. The trustee bank manages the fund in coordination with the Company's top management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with a minimum of five years of credited service and late retirement after age 60, both subject to the approval of the Company's BOD. Normal retirement benefit is an amount equivalent to 50% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) *Explanation of Amounts Presented in the Financial Statements*

Actuarial valuations are made annually to update the post-employment defined benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary in 2024 and 2023.

The amounts of post-employment defined benefit obligation recognized in the statements of financial position are determined as presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Present value of the obligation	82,925,055	53,883,058
Fair value of plan assets	(42,615,660)	(43,487,144)
	<u>40,309,395</u>	<u>10,395,914</u>

The movements in the present value of the post-employment defined benefit obligation recognized in the books are presented in the below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	53,883,058	44,024,728
Interest cost	3,297,643	3,178,585
Current service cost	7,408,472	4,639,127
Benefits paid	(2,395,737)	(2,979,087)
Remeasurements – actuarial losses (gains) arising from:		
Experience adjustments	37,353,269	2,676,303
Changes in financial assumptions	(16,621,650)	2,343,402
Balance at end of year	<u>82,925,055</u>	<u>53,883,058</u>

The movements in the fair value of plan assets are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	43,487,144	34,634,633
Interest income	2,661,413	2,750,409
Benefits paid	(2,395,737)	-
Contributions	-	6,919,362
Loss on plan assets (excluding amounts included in net interest expense)	(1,137,160)	(817,260)
Balance at end of year	<u>42,615,660</u>	<u>43,487,144</u>

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Unitized investment funds	33,367,846	35,963,869
Government securities	9,059,820	6,901,410
Receivables	131,176	91,322
Cash and cash equivalents	56,818	530,543
	<u>42,615,660</u>	<u>43,487,144</u>

The fair values of the above unitized investment funds and government debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

Plan assets do not comprise any of the Company's own financial instruments or any of its assets occupied and/or used in its operations. The plan assets recognized an income of P1,524,253 in 2024 and P1,933,149 in 2023 and P736,246 in 2022.

The components of amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit post-employment plan are presented below and in the succeeding page.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Recognized in profit or loss</i>			
Current service cost - net	7,408,472	4,639,127	4,583,769
Net interest expense on defined benefit obligation	636,230	428,176	241,469
	<u>8,044,702</u>	<u>5,067,303</u>	<u>4,825,238</u>

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Recognized in other comprehensive income</i>			
Actuarial losses (gains) arising from changes in:			
Experience adjustments	37,353,269	2,676,303	2,211,194
Financial assumptions	(16,621,650)	2,343,402	(4,166,909)
Loss on plan assets (excluding amounts included in net interest expense)	1,137,160	817,260	2,533,087
	21,868,779	5,836,965	577,372

The net interest expense is included in Finance Costs in profit or loss (see Note 22).

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Discount rates	6.12%	6.12%	7.22%
Salary increase rates	3%	7%	7%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 34.75. These assumptions were developed by management with the assistance of an independent actuary.

Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are as follows:

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation:

<i>(Amounts in PHP)</i>	Impact on Post-employment Defined Benefit Obligation		
	Changes in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.0%	(4,106,498)	3,165,843
Salary increase rate	+/-1.0%	3,450,146	(4,610,035)
December 31, 2023			
Discount rate	+/-1.0%	(2,148,365)	1,759,621
Salary increase rate	+/-1.0%	2,571,038	(1,514,962)

In addition, assuming there are no attrition rates, the increase in post-employment defined benefit obligation would be P33,056,0014, P102,849,832, and P64,956,547 in 2024, 2023, and 2022, respectively.

The foregoing sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Asset-Liability Matching Strategies*

To efficiently manage the retirement plan, the Company, through its Retirement Plan Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the post-employment obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments match the expected cash outflows arising from the post-employment obligations.

There has been no change in the Company's strategies to manage its risks from previous periods.

(iii) *Funding Arrangements and Expected Contributions*

The Company does not expect to make a contribution during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within one year	33,056,004	36,662,697
More than one year to five years	45,429,141	11,257,978
More than five years to 10 years	67,170,993	11,757,739
More than 10 years	284,010,110	-
	<u>429,666,248</u>	<u>59,678,414</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.34 years.

24. CURRENT AND DEFERRED TAXES

The Company is registered with the Board of Investments (BOI) as a developer of various economic and low-cost housing projects. Accordingly, the Company enjoys an income tax holiday on the BOI registered projects within three to four taxable years from its registration. The Company has five and eight registered projects with BOI as at December 31, 2024 and 2023, respectively.

The components of tax expense relating to profit or loss and other comprehensive income are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Recognized in profit or loss</i>			
Current tax expense:			
Regular Corporate Income Tax (RCIT) at 25%	208,559,755	138,485,018	38,813,545
Final tax	267,625	2,323,592	2,375,510
	208,827,380	140,808,610	41,189,055
Deferred tax expense relating to origination and reversal of temporary differences	419,267,874	839,177,697	916,331,480
	628,095,254	979,986,307	957,520,535
<i>Recognized in other comprehensive income</i>			
Deferred tax income (expense) arising from origination and reversal of temporary differences	5,467,195	1,459,242	144,343
	5,467,195	1,459,242	144,343

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of profit or loss is presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Tax on pretax profit at 25%	892,593,334	953,357,034	924,776,327
Adjustments for income subject to lower tax rates	(2,725,546)	(580,943)	(594,750)
Tax effects of:			
Non-taxable income	(284,705,283)	(305,762,480)	(107,674,441)
Timing difference from tax exempt real estate sales	15,887,569	326,549,783	134,085,841
Non-deductible expenses	7,045,180	6,422,913	6,927,558
Tax expense	628,095,254	979,986,307	957,520,535

Non-taxable income primarily pertains to the tax effect of the Company's share in net profit of its subsidiaries, associates and joint venture which is a permanent difference for tax purposes.

The net deferred tax liabilities relate to the following as at December 31:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)
Deferred tax liabilities:		
Difference between tax reporting base and financial reporting base used in sales recognition	4,112,378,010	3,642,480,739
Rental income	876,714	11,108,472
	<u>4,113,254,724</u>	<u>3,653,589,211</u>
Deferred tax assets:		
Recognition of commission	(137,350,396)	(112,382,021)
Net lease liabilities	(46,022,268)	(35,256,594)
Post-employment defined benefit obligation	(2,729,475)	(2,240,307)
Unamortized past service cost	(1,486,199)	(1,486,199)
Employee stock option	(987,320)	(644,905)
Others	(10,423,878)	(1,659,926)
	<u>(198,999,536)</u>	<u>(154,669,952)</u>
	<u>3,914,255,188</u>	<u>3,499,919,259</u>

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
<i>Reported in profit or loss:</i>			
Deferred tax liabilities:			
Difference between tax reporting base and financial reporting base used in sales recognition	469,897,271	875,216,531	961,226,694
Rental income	3,572,421	6,508,401	11,891,664
Deferred tax assets:			
Recognition of commission	(24,968,375)	(30,750,683)	(34,648,764)
Net lease liabilities	(10,765,674)	(10,299,464)	(20,896,832)
Post-employment defined benefit obligation-net	(488,337)	(1,188,097)	(1,078,942)
Unamortized past service cost	-	287,887	272,617
Others	(17,979,432)	(596,878)	(434,957)
	<u>419,267,874</u>	<u>839,177,697</u>	<u>916,331,480</u>
<i>Reported in other comprehensive income –</i>			
Post-employment defined benefit obligation	<u>(5,467,195)</u>	<u>(1,459,242)</u>	<u>(144,343)</u>

In 2024, 2023 and 2022, the Company is subject to the minimum corporate income tax (MCIT), which is computed at 1% of gross income before July 1, 2023 and 2% thereafter, net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher. No MCIT was reported in 2024, 2023 and 2022 as the RCIT was higher than MCIT in these years.

The Company opted to treat the capitalized borrowing costs as capital expenditure in accordance with Section 34(b) of the NIRC; hence, there are no deferred taxes related to the transaction.

The Company opted to claim itemized deductions in computing its income tax due for the years ended December 31, 2024, 2023 and 2022.

25. RELATED PARTY TRANSACTIONS

The Company's related parties include its ultimate parent or ABS, entities under common ownership, associates, joint venture, shareholders, the Company's key management personnel, and others.

A summary of the Company's transactions and outstanding balances with its related parties is presented below.

<i>(Amounts in PHP)</i>	Note	Amount of Transaction			Outstanding Balance	
		2024	2023	2022	2024	2023
Ultimate Parent Company						
Sale of real estate	25.4	854,062,500	4,638,528	5,902,841	837,666,834	685,584
Entities under Common Ownership						
Net advances (collections)	25.1	13,818,286	2,603,003	2,858,969	53,959,656	40,141,370
Subsidiaries						
Advances to (collections)	25.1	(45,693,421)	787,326,615	450,691,824	610,275,679	655,969,100
Purchase of property	25.3	1,309,086	-	112,631,089	1,478,338	169,252
Accommodation payment	25.2	5,183,955	-	1,872,522	66,018,130	60,834,175
Associates						
Advances to (collections)	25.1	(2,389,437)	1,734,807	632,726	10,693	2,400,130
Key Management Personnel						
Sale of real estate	25.5	-	-	4,870,084	-	-
Compensation	25.6	128,936,641	209,130,536	150,137,277	-	-

Based on management's assessment, no impairment loss is required to be provided on the Company's receivables from related parties as at December 31, 2024 and 2023. The cash advances to and from related parties are noninterest-bearing, unsecured, due on demand and are expected to be settled in cash or offsetting of accounts within one year from end of the reporting period. In respect of contract receivables, it is fully secured by the units purchased, expected to be settled in cash and due based on the contract terms.

Details of the foregoing transactions are discussed on the succeeding page.

25.1 Due from Related Parties

The Company grants cash advances to shareholders, entities under common ownership, subsidiary, associates, and joint ventures. An analysis of such advances in 2024 and 2023 is presented as follows:

<i>(Amounts in PHP)</i>	Entities Under Common Ownership	Subsidiaries	Associates	Total
Balance at January 1, 2024	40,141,370	655,969,100	2,400,130	698,510,600
Advances	31,612,009	837,032,314	36,009,701	904,654,024
Collections	<u>(17,793,722)</u>	<u>(882,725,735)</u>	<u>(38,399,138)</u>	<u>(938,918,595)</u>
Balance at December 31, 2024	<u>53,959,657</u>	<u>610,275,679</u>	<u>10,693</u>	<u>664,246,029</u>
Balance at January 1, 2023	37,538,367	1,443,295,715	665,323	1,481,499,405
Advances	6,696,668	191,978,479	2,328,000	201,003,147
Collections	<u>(4,093,665)</u>	<u>(979,305,094)</u>	<u>(593,193)</u>	<u>(983,991,952)</u>
Balance at December 31, 2023	<u>40,141,370</u>	<u>655,969,100</u>	<u>2,400,130</u>	<u>698,510,600</u>

The outstanding balances from these transactions, which are payable on demand, unsecured and interest bearing, are presented as Due from related parties in the statements of financial position. The interest income from these advances is presented as part of Finance Income (see Note 21).

25.2 Advances from Related Parties

In 2017, the Company assumed the development of Astra Center Project and acknowledged its obligation to ASF amounting to P59,610,753 for the development cost it incurred. The outstanding balance of the Company's payable to related parties as at December 31, 2024 and 2023, respectively and is presented as Due to related parties under of Trade and other payables in the statements of financial position (see Note 16).

25.3 Purchases of Condominium Units

The Company purchased condominium units that are still under construction from YHEST, GGTT and BL Ventures in 2024. Contract prices of the purchased units from YHEST, GGTT and BL Ventures amounted to P43,709,396, P31,208,933 and P12,776,495, respectively.

In 2024, payments to YHEST, GGTT and BL Ventures for such purchases amounted to P781,429, P255,357 and P272,300, respectively.

The outstanding balance of the deposit for purchased properties from YHEST, GGTT and BL Ventures amounted to P1,478,338 and P169,252 as at December 31, 2024 and 2023, respectively, which is presented, net of input VAT, as Deposits for purchased properties under Other non-current assets in the statements of financial position (see Note 13).

25.4 Sale of Real Estate to Ultimate Parent Company

In 2024, the Company sold the Manresa lot to ABS amounting to P854,062,500 with a cost amounting to P470,900,926, resulting to a gross profit of P383,161,574. The outstanding balance, amounting to P837,666,834, is noninterest-bearing and due on demand related to this transaction and presented as part of Contract receivables under the Receivables account in the statements of financial position (see Note 5).

In 2023 and 2022, the Company sold condominium units to ABS. The outstanding balance related to these transactions are noninterest-bearing and due on demand, and is presented as part of Contract Receivables under the Receivables account in the statements of financial position (see Note 5). There was no similar transaction in 2024.

In 2023, the Company cancelled the sale of a single floor at Baseline HQ made to ABS in December 2017.

25.5 Sale of Real Estate to Key Management Personnel

In 2022, the Company sold condominium units totaling P4,870,084, respectively, to key management personnel. There is no outstanding balance related to these transactions as at December 31, 2024. These are presented as part of Contract receivables under the Receivables account in the statements of financial position (see Note 5).

25.6 Key Management Personnel Compensation

The composition of key management personnel compensation for the years ended December 31, 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	101,282,775	159,664,014	142,201,016
Post-employment benefits	26,284,203	47,350,536	4,930,421
Share options	1,369,663	2,115,986	3,005,840
	<u>128,936,641</u>	<u>209,130,536</u>	<u>150,137,277</u>

25.7 Retirement Fund

The Company's retirement fund for its defined post-employment plan is administered and managed by a trustee bank. The fair value of plan assets in 2024 and 2023 consists of the contributions to the plan and interest earned (see Note 23.3). The plan assets do not comprise investment in any of the Company's own financial instruments or any of its assets occupied and/or used in its operations.

26. EQUITY

26.1 Capital Stock

Details of the Company's authorized capital stock as at December 31, 2024 and 2023 are as follows:

<i>(Amounts in PHP)</i>	<u>Shares</u>		<u>Amount</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Preferred shares				
Authorized				
Series A-1 (CLIA1) – P1.00 par value	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Series A-2 (CLIA2) – P0.10 par value	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Total	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and outstanding				
Issuance during the period:				
Preferred shares - Series A-1 (CLIA1)	2,063,360	-	2,063,360	-
Preferred shares - Series A-2 (CLIA2)	2,216,980	-	2,216,980	-
Balance at end of year	<u>4,280,340</u>	<u>-</u>	<u>4,280,340</u>	<u>-</u>

<i>(Amounts in PHP)</i>	Shares		Amount	
	2024	2023	2024	2023
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>
Issued:				
Balance at beginning and end of year	3,623,451,997	3,623,451,997	3,623,451,997	3,623,451,997
Treasury shares	<u>(158,250,530)</u>	<u>(158,250,530)</u>	<u>(732,664,604)</u>	<u>(732,664,604)</u>
Issued and outstanding	<u>3,465,201,467</u>	<u>3,465,201,467</u>	<u>2,890,787,393</u>	<u>2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment of the Articles of Incorporation (AOI) of CLI to reallocate the authorized capital stock of P10,100,000,000 to be divided as follows:

9,000,000,000 common shares with a par value of P1 per share;
1,000,000,000 Series A preferred shares with a par value of P1 per share; and,
1,000,000,000 Series B preferred shares with a par value of P0.10 per share.

The amendment to the AOI was later approved by the stockholders on June 1, 2023. On October 18, 2023, the SEC officially accepted CLI's application for the amendment of its AOI, which was later approved on December 29, 2023.

On April 12, 2024, CLI issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,276,059,660 (see Note 27.2). The initial dividend rate of the shares shall be as follows: (a) in respect of the Series A-1 Preferred Shares, at fixed rate of 7.59% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.25% per annum of the offer price. The BOD has full discretion over the declaration and payment of dividends, subject to conditions and to the extent allowed by law. There was no issued preferred shares as at December 31, 2023.

The share price of the Company's common stock closed at P2.65 per share on December 27, 2024 and P2.47 per share on December 29, 2023, the last trading day in the PSE for 2024 and 2023 respectively.

The common stock of the Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as of December 31, 2024 and 2023, respectively. This represented 35% of the Company's outstanding shares as of December 31, 2024 and 2023, respectively.

The Company has no other listed equity securities as at December 31, 2024 and 2023.

26.2 Additional Paid-in Capital

On June 2, 2017, the Company made an initial public offering of 430,000,000 unissued common shares at an offer price of P5 per share, which is equivalent to P2,150,000,000. Accordingly, the Company recognized additional paid-in capital of P1,608,917,974 in the statements of financial position after deducting the related share issuance costs of P111,082,026.

On April 12, 2024, the Company issued perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2). Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,247,007,247 in the statements of financial position after deducting the related share issuance costs of P29,052,413.

26.3 Treasury Shares

On February 27, 2018, the BOD of the Company approved a P250,000,000 budget for a share buy-back program and employee stock option plan. On March 2022, qualified employees started exercising their stock options (see Note 26.1).

On March 27, 2020, the BOD of the Company approved an additional P500,000,000 stock buy-back program for its valuation plans over the next two years.

In relation to this program, the Company reacquired 2,599,600 shares and 104,180,400 shares of its common stock in 2021 and 2020, respectively, for P15,320,885 and P485,657,205, respectively, and presented them as Treasury Stock in the statement of financial position. No additional shares were reacquired in 2022.

In 2022, the Company has reissued 3,349,470 shares of treasury shares, respectively, as a result of exercise of the same number of stock options (see Note 26.4).

As of December 31, 2024 and 2023, the Company has a total of 158,250,530 treasury shares amounting to P732,664,604.

The common stock of the Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as at December 31, 2024 and 2023, respectively. This represents 36% and 35% of the Company's outstanding shares as at December 31, 2024 and 2023, respectively.

26.4 Employee Share Option

On October 6, 2021, the BOD of the Company approved the Executive Stock Option Plan (ESOP) for its qualified officers. The ESOP grants options to purchase the shares of the Company at a price of P2.25 or current market price with a 15% discount, whichever is higher. Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least six months from the exercise date. Voting and dividend rights vest upon the issuance of the shares to the employees.

Pursuant to this ESOP, on January 5, 2022, the Company granted share options to qualified officers to subscribe to 31,016,200 common shares of the Company, with the following vesting period.

- The 1st 25% of the options granted can be exercised immediately upon the year of grant;
- The 2nd 25% of the options granted can be exercised one year after the options were granted;
- The 3rd 25% of the options granted can be exercised two years after the options were granted; and,
- The last 25% of the options granted can be exercised three years after the options were granted.

A total 3,349,470 share options at a price of P2.40 were exercised in 2022, respectively, using the Company treasury shares (see Note 26.3).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	2.5 years
Average share price at grant date	P2.86
Average exercise price at grant date	P2.43
Average fair value at grant date	P0.15
Average standard deviation of share price returns	20.17%
Average dividend yield	14.95%
Average risk-free investment rate	2.59%

The underlying expected volatility was determined by reference to historical prices of the Company's shares over a period of five years.

Share option benefits expense, which is included as part of Salaries and employee benefits under the Operating Expenses account, amounting to P1,369,663, P2,115,986 and P3,005,840 was recognized in 2024, 2023 and 2022, respectively (see Note 23.1), while the corresponding credit to Share Options Outstanding account is presented as under the Equity section of the statements of financial position.

26.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the statements of changes in equity at their aggregate amount under the Revaluation Reserves account are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		(18,288,224)	(13,910,501)	(13,477,472)
Other comprehensive loss:				
Loss on remeasurement of post-employment defined benefit obligation	23.3	(21,868,779)	(5,836,965)	(577,372)
Tax income	24	5,467,195	1,459,242	144,343
		<u>(16,401,584)</u>	<u>(4,377,723)</u>	<u>(433,029)</u>
Balance at end of year		<u>(34,689,808)</u>	<u>(18,288,224)</u>	<u>(13,910,501)</u>

26.6 Retained Earnings

(a) Cash Dividends

<u>Date of Declaration</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Total Cash Dividends</u>	<u>Dividend Per Share</u>
<i>(Amounts in PHP)</i>				
<u>2024</u>				
Common shares:				
March 18, 2024	April 17, 2024	May 3, 2024	519,780,220	0.15
March 18, 2024	April 17, 2024	May 3, 2024	<u>103,956,045</u>	0.03
			<u>623,736,265</u>	
Preferred shares (CLIA1):				
June 14, 2024	July 2, 2024	July 12, 2024	39,126,462	18.96
June 14, 2024	October 2, 2024	October 12, 2024	39,126,462	18.96
November 21, 2024	January 2, 2025	January 12, 2025	39,126,462	18.96
November 21, 2024	April 2, 2025	April 12, 2025	39,126,462	18.96
November 21, 2024	July 2, 2025	July 12, 2025	39,126,462	18.96
November 21, 2024	October 2, 2025	October 12, 2025	<u>39,126,462</u>	18.96
			<u>234,758,772</u>	
Preferred shares (CLIA2):				
June 14, 2024	July 2, 2024	July 12, 2024	45,725,213	20.63
June 14, 2024	October 2, 2024	October 12, 2024	45,725,213	20.63
November 21, 2024	January 2, 2025	January 12, 2025	45,725,213	20.63
November 21, 2024	April 2, 2025	April 12, 2025	45,725,213	20.63
November 21, 2024	July 2, 2025	July 12, 2025	45,725,213	20.63
November 21, 2024	October 2, 2025	October 12, 2025	<u>45,725,213</u>	20.63
			<u>274,351,278</u>	
			<u>1,132,846,315</u>	
<u>2023</u>				
Common shares:				
March 20, 2023	April 18, 2023	April 28, 2023	519,780,220	0.15
March 20, 2023	April 18, 2023	April 28, 2023	<u>103,956,044</u>	0.03
			<u>623,736,264</u>	
<u>2022</u>				
Common shares –				
March 15, 2022	April 22, 2022	May 17, 2022	<u>519,780,221</u>	0.15

Dividends payable amounting to P339,406,706 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position.

(b) Appropriated Retained Earnings Releases

On November 23, 2023 and December 6, 2022, the Company's BOD approved the appropriation of P6,324,658,043 and P3,931,475,893, respectively, from its retained earnings for the construction of various real estate projects. There was no additional appropriations for 2024.

In 2024, 2023 and 2022, the Company reversed certain appropriations made in previous years amounting to P3,691,083,698, P3,341,330,930 and P172,049,912, respectively, to unrestricted retained earnings after partial fulfillment of its intended purpose.

A portion of the Company's retained earnings, equivalent of the cost of treasury shares is legally restricted in accordance with Section 40 of the Revised Corporation Code.

27. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Company:

27.1 Operating Lease Commitments – Company as Lessor

The Company is a lessor under several operating leases covering investment properties (see Note 12). The leases have terms ranging from one to five years, with renewal options, and include annual escalation from 3% to 10%. The future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Within one year	106,478,509	54,456,693	54,686,546
Within one to two years	68,368,953	39,968,650	40,327,275
Within two to three years	4,881,740	25,341,618	32,781,403
Within three to four years	4,766,426	19,829,151	22,147,218
Within four to five years	278,900,304	40,696,055	16,452,302
More than five years	214,362,715	78,907,709	92,651,746
	<u>677,758,647</u>	<u>259,199,876</u>	<u>259,046,490</u>

Rental income is shown in Notes 12 and 17.1. None of the rental income in 2024, 2023 and 2022 are relating to variable lease payments. Outstanding rent receivables as at December 31, 2024 and 2023 and are shown as Rent receivable under the Receivables account in the statements of financial position (see Note 5).

27.2 Operating Lease Commitments – Company as Lessee

The Company entered into several short-term cancellable leases for its billboards, warehouse and staff house. Rent expense incurred from the short-term cancellable leases are shown as Rent under Operating Expenses in the statements of profit or loss (see Note 19).

As at December 31, 2024 and 2023, the expected future rentals is expected to be more or less the same with the annual rent expense recognized because of the terms of the leases, which are less than 12 months.

27.3 Completion of Sold Units

The Company is obligated to finish the sold units that are at a certain stage of completion at the time of sale. The Company recognized a contract liability, which amounts to P120,537,515 and P164,891,955 as at December 31, 2024 and 2023, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 17.2).

27.4 Purchase of Land

In 2024, the Company had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land amounting to P541,568,201 under raw land inventory (see Note 8). In 2022, the Company had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land for about P121,996,729. There were no such commitments as at December 31, 2023.

27.5 Capital Commitments

As at December 31, 2024 and 2023, the Company has capital commitments of about P6,159,277,128 and P4,100,931,220, respectively, for the construction of condominium and subdivision projects.

27.6 Others

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations that are not reflected in the financial statements because the possible outflow of economic resource as a result of present obligations is considered improbable or remote or the amount to be provided cannot be measured reliably. As at December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

28. EVENTS AFTER THE REPORTING PERIOD

28.1 Public Offering of Sustainability-linked Bonds

On November 21, 2024, the BOD authorized the public offer, sale and issuance of CLI's Sustainability-Linked Bonds (SLB) comprising of Philippine Peso-denominated "Series D Bonds" due 2028 and "Series E Bonds" due 2030, with a base offer of up to P3,000,000,000 and an oversubscription option of up to P2,000,000,000. The notice was provided to the PSE and the SEC on December 20, 2024 and the Company listed its SLB at the PDEx on March 21, 2025.

From and including the first day of the Interest Period immediately following the Interest Period within which a Target Measurement Date falls (each an "Interest Step-Up Date"), the Applicable Interest Rate for each series shall be equal to the Original Interest Rate plus 0.075% for each occurrence of a Trigger Event. There is a Trigger Event when an SPT is not met on the applicable Target Observation Date as determined in the verification assurance report of the relevant External Verification Provider.

The "Sustainability Performance Target" or "SPT" shall be as follows:

- Short Term SPT: Build 8,500 new Affordable Housing units by February 2027
- Medium Term SPT: Build 16,000 new Affordable Housing units by February 2029

28.2 Incorporation of CLI Luzon Ventures, Inc.

On March 18, 2025, the SEC duly approved the registration of CLI Luzon Ventures, Inc., a wholly-owned subsidiary of Cebu Landmasters, Inc., presently engaged with real estate development, sales, leasing, and property management, with a real estate portfolio that includes condominiums and subdivisions for residences, mixed-use properties, townships, hotels and resorts, offices, and co-living spaces.

28.3 Declaration of Cash Dividends on Common Shares

On March 17, 2025, the BOD approved the declaration of regular cash dividends amounting to P0.15 per share and special cash dividends amounting to P0.03 per share with record date on April 11, 2025 which will be paid on April 16, 2025.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 30. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most relevant financial risks to which the Company is exposed to are described as follows.

29.1 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating, investing and financing activities.

The Company has no significant foreign currency exposure risks as most of its transactions are carried out in Philippine pesos, its functional currency.

The Company has no significant interest rate risk exposure as most of its interest-bearing financial assets and liabilities bear fixed interest rates.

29.2 Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Company maintains credit policies and monitors its exposure to credit risk on a continuous basis.

Receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Company transfers the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces only upon full payment of the contract price.

(a) *Maximum Exposure to Credit Risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets (including contract assets), as summarized below.

<i>(Amounts in PHP)</i>	Notes	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	4	667,937,940	441,670,591
Receivables*	5	2,847,593,246	1,585,663,422
Contract assets	17.2	34,200,985,217	32,717,768,497
Due from related parties	25.1	664,246,029	698,510,600
Short-term investments	8	285,678,275	184,532,637
Refundable deposits	13	142,915,985	135,422,187
		<u>38,809,356,692</u>	<u>35,763,567,934</u>

* *Receivables excludes advances to officers and employees.*

The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

<i>(Amounts in PHP)</i>	<u>Gross Maximum Exposure</u>	<u>Fair Value of Collaterals</u>	<u>Net Exposure</u>
2024			
Contract receivables	2,233,994,807	4,734,336,649	-
Contract assets	<u>34,200,985,217</u>	<u>60,875,505,741</u>	<u>-</u>
	<u>36,434,980,024</u>	<u>65,609,842,390</u>	<u>-</u>
2023			
Contract receivables	1,170,190,633	3,223,074,939	-
Contract assets	<u>32,717,768,497</u>	<u>57,481,534,007</u>	<u>-</u>
	<u>33,887,959,130</u>	<u>60,704,608,946</u>	<u>-</u>

(b) *Credit Risk Concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Company's receivables and contract assets, net of allowance for impairment, is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Cebu	16,675,744,888	17,197,995,172
Mindanao	9,553,733,389	6,863,176,661
Rest of Visayas	8,125,719,295	9,350,666,894
Luzon	2,079,782,452	476,120,403
	36,434,980,024	33,887,959,130

(c) *Credit Quality*

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

Refundable deposits are considered to be unrated and are neither past due nor impaired. For trade receivables, standard grade pertains to receivables with no default in payments and are effectively collateralized by the real estate inventories which can be subject to repossession upon non-payment of customers after reasonable collection effort has been exerted by the Company.

<i>(Amounts in PHP)</i>	2024					
	Neither past due not impaired			Past due but not impaired	Individually	Total
	High grade	Standard grade	Unrated			
Cash	667,937,940	-	-	-	-	667,937,940
Receivables						
Contract	-	2,233,994,807	-	-	-	2,233,994,807
Others	-	-	613,598,439	-	-	613,598,439
Contract assets	-	34,200,985,217	-	-	-	34,200,985,217
Due from related parties	-	-	664,246,029	-	-	664,246,029
Short-term investments	285,678,275	-	-	-	-	285,678,275
Refundable deposits	-	-	142,915,985	-	-	142,915,985
	953,616,215	36,434,980,024	1,420,760,453	-	-	38,809,356,692
	2023					
	Neither past due not impaired			Past due but not impaired	Individually	Total
	High grade	Standard grade	Unrated			
Cash	441,670,591	-	-	-	-	441,670,591
Receivables						
Contract	-	1,170,190,633	-	-	-	1,170,190,633
Others	-	-	415,472,789	-	-	415,472,789
Contract assets	-	32,717,768,497	-	-	-	32,717,768,497
Due from related parties	-	-	698,510,600	-	-	698,510,600
Short-term investments	184,532,637	-	-	-	-	184,532,637
Refundable deposits	-	-	135,422,187	-	-	135,422,187
	626,203,228	33,887,959,130	1,249,405,576	-	-	35,763,567,934

29.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly. Management maintains enough cash to meet the Company's liquidity. Excess cash are invested in short-term placements

As at December 31, 2024 and 2023, the Company's financial liabilities have contractual maturities which are presented below.

	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
<i>(Amounts in PHP)</i>				
December 31, 2024				
Interest-bearing loans and borrowings	8,796,785,453	5,122,434,303	24,576,904,076	4,990,121,122
Bonds payable	168,742,525	168,742,525	5,597,779,622	-
Trade and other payables*	6,678,769,232	6,168,750,044	518,315,036	-
	15,644,297,210	11,459,926,872	30,692,998,734	4,990,121,122
December 31, 2023				
Interest-bearing loans and borrowings	8,308,626,703	4,139,813,400	24,318,315,445	5,499,406,048
Bonds payable	168,742,525	168,742,525	4,872,277,006	1,062,987,665
Trade and other payables*	7,814,941,195	6,304,301,164	169,250,020	-
	16,292,310,423	10,612,857,089	29,359,842,471	6,562,393,713

* Trade and other payables exclude output VAT, government-related obligations and advance rental.

The foregoing contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

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

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are presented as follows:

	Notes	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<i>(Amounts in PHP)</i>					
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	4	667,937,940	667,937,940	441,670,591	441,670,591
Receivables - net ¹	5	2,847,593,246	2,847,593,246	1,585,663,422	1,585,663,422
Due from related parties	25.1	664,246,029	664,246,029	698,510,600	698,510,600
Short-term investments	8	285,678,275	285,678,275	184,532,637	184,532,637
Refundable deposits	13	142,915,985	142,915,985	135,422,187	135,422,187
		4,608,371,475	4,608,371,475	3,045,799,437	3,045,799,437
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and borrowing	14	37,402,658,415	38,493,096,197	35,957,686,742	36,717,195,523
Bonds payable	15	4,964,768,926	5,102,082,489	4,947,822,521	5,154,973,779
Trade and other payables ²	16	13,365,834,318	13,365,834,318	14,288,492,378	14,288,492,378
		55,733,261,659	56,961,013,004	55,194,001,641	56,160,661,680

¹ Receivables - net excludes advances to subcontractors and advances to officers and employees.

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

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Fair Value Measurements and Disclosures

The following financial assets with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts not set-off in the statements of financial position		
	Financial liabilities	Financial liabilities set-off		Financial instrument	Cash collateral received	Net amount
December 31, 2024						
Cash and cash equivalents	667,937,940	-	667,937,940	664,212,350	-	3,725,590
Short-term investments	285,678,275	-	285,678,275	285,678,275	-	-
Total	953,616,215	-	953,616,215	949,890,625	-	3,725,590
December 31, 2023						
Cash and cash equivalents	441,670,591	-	441,670,591	393,361,510	-	48,309,081
Short-term investments	184,532,637	-	184,532,637	184,532,637	-	-
Total	626,203,228	-	626,203,228	577,894,147	-	48,309,081

The following financial liabilities with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts not set-off in the statements of financial position		
	Financial assets	Financial assets set-off		Financial instrument	Cash collateral received	Net amount
December 31, 2024						
Interest-bearing loans	37,402,658,415	-	37,402,658,415	949,890,625	-	36,452,767,790
December 31, 2023						
Interest-bearing loans	35,957,686,744	-	35,957,686,744	577,894,147	-	36,535,580,889

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Company and counterparties (i.e., related parties and contractors) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

30.3 Fair Value Measurements and Disclosures

(a) Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

(b) *Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed*

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities, which are not measured at fair value in the 2024 and 2023 statements of financial position, but for which fair value is disclosed (see Note 30.1).

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2024				
<i>Financial assets</i>				
Cash and cash equivalents	667,937,940	-	-	667,937,940
Receivables - net	-	-	2,847,593,246	2,847,593,246
Due from related parties	-	-	664,246,029	664,246,029
Short-term investments	285,678,275	-	-	285,678,275
Refundable deposits	-	-	142,915,985	142,915,985
	<u>953,616,215</u>	<u>-</u>	<u>3,654,755,260</u>	<u>4,608,371,475</u>
<i>Financial liabilities</i>				
Interest-bearing loans	-	-	38,493,096,197	38,493,096,197
Bonds payable	-	-	5,102,082,489	5,102,082,489
Trade and other payables	-	-	13,365,834,318	13,365,834,318
	<u>-</u>	<u>-</u>	<u>56,961,013,004</u>	<u>56,961,013,004</u>

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2023				
<i>Financial assets</i>				
Cash and cash equivalents	441,670,591	-	-	441,670,591
Receivables - net	-	-	1,585,663,422	1,585,663,422
Due from related parties	-	-	698,510,600	698,510,600
Short-term investments	184,532,637	-	-	184,532,637
Refundable deposits	-	-	135,422,187	135,422,187
	<u>626,203,228</u>	<u>-</u>	<u>2,419,596,209</u>	<u>3,045,799,437</u>
<i>Financial liabilities</i>				
Interest-bearing loans	-	-	36,717,195,523	36,717,195,523
Bonds payable	-	-	5,154,973,779	5,154,973,779
Trade and other payables	-	-	14,288,492,378	14,288,492,378
	<u>-</u>	<u>-</u>	<u>56,160,661,680</u>	<u>56,160,661,680</u>

For the Company's financial assets and financial liabilities, which are measured at amortized cost, management has determined that their carrying amounts are equal to or approximate their fair values because, except for interest-bearing loans, of their short-term nature.

(c) *Fair Value Measurement for Non-financial Assets*

The Company has no non-financial assets measured at fair value as at December 31, 2024 and 2023. However, the fair values of its investment properties are required to be disclosed, as shown in Note 12.

The table below shows the Levels within the hierarchy of non-financial assets (investment property), which are not carried at fair value but whose fair value are required to be disclosed on a recurring basis as at December 31, 2023 and 2022.

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024				
Investment properties	<u>-</u>	<u>-</u>	<u>11,515,966,121</u>	<u>11,515,966,121</u>
December 31, 2023				
Investment properties	<u>-</u>	<u>-</u>	<u>10,840,049,923</u>	<u>10,480,049,923</u>

In 2024 and 2023, the fair value of the Company's Investment Properties [see Note 3.2(d)] are determined on the basis of the appraisals performed by an independent external appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the parcels of land and buildings, and the comparable prices in the corresponding property location.

The fair value of these parcels of land, condominium units, parking units and retail building were determined based on the following approaches:

(i) Fair Value Measurement for Land, Condominium Units, Parking Units and Retail Buildings

The Level 3 fair value of the parcels of land, condominium units, retail building and parking slots under Investment Properties account was determined using the market approach, adjusted for differences in key attributes such as properties size, zoning and accessibility.

Under the market approach, when comparable lease offerings of similar properties and sales prices of comparable land properties in close proximity are used in the valuation of the subject property with insignificant adjustment on the price, fair value is included in Level 2. Consequently, if the observable recent prices of the reference properties were adjusted significantly for differences in key attributes such as properties size, zoning, and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

(ii) Fair Value Measurement for Improvements under Retail Buildings

The Level 3 fair value of building improvements presented as part of retail buildings under Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence.

The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change on the valuation techniques used by the Company, except as indicated above, during the period for its investment properties. Also, there were no transfers into or out of Level 2 fair value hierarchy for the years ended December 31, 2024 and 2023.

31. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)
Total interest-bearing loans and borrowings and bonds payable	42,367,427,341	40,905,509,263
Total equity	20,504,875,848	14,459,188,415
Debt-to-equity ratio	2.07:1.00	2.83:1.00

The Company's goal in capital management is to limit a maximum interest-bearing debt to total equity structure ratio of 75:25 on a monthly basis (see Note 14). This is in line with the Company's compliance with requirement of the BOI and banks.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for both years ended December 31, 2024 and 2023.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below and in the succeeding page is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

<i>(Amounts in PHP)</i>	Bank Loans (see Note 14)	Lease Liabilities (see Note 11)	Bonds Payable (see Note 15)	Total
Balance as of January 1, 2024	35,957,686,742	977,466,017	4,947,822,521	41,882,975,280
Cash flows from financing activities:				
Additional borrowings - net	13,789,278,958	-	-	13,789,278,958
Repayments	(12,444,183,494)	(41,160,078)	-	(12,485,343,572)
Non-cash financing activities:				
Amortization of debt issue cost	99,876,209	-	16,946,405	116,822,614
Interest amortization on lease obligation	-	68,238,917	-	68,238,917
Additional lease liabilities	-	5,176,040	-	5,176,040
Balance at December 31, 2024	37,402,658,415	1,009,720,896	4,964,768,926	43,377,148,237

<i>(Amounts in PHP)</i>	Bank Loans (see Note 14)	Lease Liabilities (see Note 11)	Bonds Payable (see Note 15)	Total
Balance as of January 1, 2023	29,453,443,408	948,091,184	4,930,582,631	35,332,117,223
Cash flows from financing activities:				
Additional borrowings - net	11,434,269,173	-	-	11,434,269,173
Repayments	(5,050,319,185)	(36,783,822)	-	(5,087,103,007)
Non-cash financing activities:				
Amortization of debt issue cost	120,293,346	-	17,239,890	137,533,236
Interest amortization on lease obligation	-	65,882,750	-	65,882,750
Additional lease liabilities	-	275,905	-	275,905
Balance at December 31, 2023	<u>35,957,686,742</u>	<u>977,466,017</u>	<u>4,947,822,521</u>	<u>41,882,975,280</u>
Balance as of January 1, 2022	26,910,209,391	834,573,823	-	27,744,783,214
Cash flows from financing activities:				
Additional borrowings - net	9,978,618,073	-	4,926,627,631	14,905,245,704
Repayments	(7,524,170,278)	(562,543)	-	(7,524,732,821)
Non-cash financing activities:				
Amortization of debt issue cost	88,786,222	-	3,955,000	92,741,222
Interest amortization on lease obligation	-	61,205,859	-	61,205,859
Additional lease liabilities	-	52,874,045	-	52,874,045
Balance at December 31, 2022	<u>29,453,443,408</u>	<u>948,091,184</u>	<u>4,930,582,631</u>	<u>35,332,117,223</u>

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under its existing revenue regulations (RR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) Output VAT

In 2024, the Company declared output VAT as follows relating to sale of real estate:

<i>(Amounts in PHP)</i>	Tax Base	Output VAT
Taxable sales	4,974,604,609	596,952,553
Exempt sales	4,055,834,253	-
Zero-rated services	4,556,981	-
	<u>9,034,995,843</u>	<u>596,952,553</u>

The Company's taxable real estate sales (at 12% and 0%) and VAT-exempt real estate sales were determined pursuant to Section 106, VAT on Sale of Goods or Properties and Section 109, *VAT-Exempt Transactions*, of the 1997 NIRC, as amended.

The tax base for the real estate sales is based on the provisions under the VAT regulations (installment plan or deferred payment basis); hence, may not be the same as the amounts reported in the 2024 profit or loss of the Company for financial reporting purposes.

(b) *Input VAT*

The movements in input VAT for the year ended December 31, 2024 are summarized below.

(Amounts in PHP)

Balance at beginning of year	534,917,800
Goods for resale/manufacture or further processing	183,893,057
Services lodged under cost of goods sold and other accounts	566,248,826
Capital goods subject to amortization	3,929,910
Capital goods not subject to amortization	2,308,113
Services rendered by non-residents	222,115
Allocable to exempt sales	(287,357,558)
Applied against output VAT	<u>(596,952,553)</u>
Balance at end of year	<u>406,987,595</u>

(c) *Taxes on Importation*

The Company have one importation transaction during 2024. The details are presented as follows:

(Amounts in PHP)

Dutiable value	19,122,969
Other charges	<u>111,310</u>
Total landed cost	19,234,279
VAT on importation rate	<u>12%</u>
Balance at end of year	<u>2,308,113</u>

(d) *Excise Tax*

The Company did not have any transactions in 2024, which are subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

The details of the DST that was accrued and paid by the Company in 2024 are as follows:

(Amounts in PHP)

Loans/Bonds/Mortgage	117,443,694
Conveyance of properties	27,190,736
Rentals	<u>5,729,240</u>
	<u>150,363,670</u>

(f) *Taxes and Licenses*

Details of taxes and licenses in 2024 are as follows:

(Amounts in PHP)

DST	150,363,670
City treasurer's office	30,145,145
Real property tax	19,300,953
Land registration authority	13,102,882
Business taxes and permits	12,901,355
Registry of deeds	12,136,447
Real estate mortgage registration fees	10,342,643
Transfer taxes	9,803,627
Bureau of internal revenue	6,805,001
Bureau of fire protection	5,304,108
Securities and exchange commission	1,857,708
Others	14,613,857
	<u>286,677,396</u>

(g) *Withholding Taxes*

Details of total withholding taxes for the year ended December 31, 2024 are as follows:

(Amounts in PHP)

Expanded	279,158,909
Final	81,461,871
Compensation and employee benefits	815,520
	<u>361,436,300</u>

(h) *Deficiency Tax Assessments and Tax Cases*

In 2024, the Company paid deficiency taxes on income tax, value-added tax and withholding taxes amounting to P94,461,987 which included interest amounting to P28,417,950 for taxable year 2019. The net amount is presented as part of Others under Operating Expenses and the interest is presented as Deficiency taxes under Finance Costs in the 2024 statements of profit or loss.

As of December 31, 2024, the Company does not have any other final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside the BIR in any of the open taxable years.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/lmessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 15, 2025 07:05:11 PM

Company Information

SEC Registration No.: CS200321240

Company Name: CEBU LANDMASTERS, INC.

Industry Classification: K70110

Company Type: Stock Corporation

Document Information

Document ID: OST10415202583176213

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	2	1	2	4	0
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Company Name

C	E	B	U		L	A	N	D	M	A	S	T	E	R	S	,		I	N	C	.		A	N	D			
S	U	B	S	I	D	I	A	R	I	E	S		(A	S	u	b	s	i	d	i	a	r	y		o	f	
A		B		S	o	b	e	r	a	n	o		H	o	l	d	i	n	g	s		C	o	r	p	.)	

Principal Office (No./Street/Barangay/City/Town)Province

1	0	T	H		F	L	O	O	R		P	A	R	K		C	E	N	T	R	A	L	E		T	O	W	E	R
J	O	S	E		M	A	.		D	E	L		M	A	R		S	T	.		B	2		L	3	,			
C	E	B	U		I	.	T	.		P	A	R	K	,		B	R	G	Y	.		A	P	A	S	,			
C	E	B	U		C	I	T	Y	,		P	H	I	L	I	P	P	I	N	E	S		6	0	0	0			

Form Type

A	F	S	2	4
---	---	---	---	---

Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

jggarde@cebulandmasters.com
--

Company's Telephone Number/s

(032) 231 4870

Mobile Number

N/A

No. of Stockholders

22

Annual Meeting
Month/Day

1 st Friday of July

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Jose R. Soberano III

Email Address

ceo@cebulandmasters.com
--

Telephone Number/s

(032) 231 4870

Mobile Number

--

Contact Person's Address

10 th floor, Park Centrale Tower, Jose Ma. del Mar St., B2 L3, Cebu I.T. Park, Brgy. Apas, Cebu City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

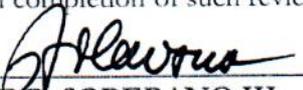
The management of **Cebu Landmasters, Inc. and Subsidiaries (the Group)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached herein, **for the years ended December 31, 2024, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

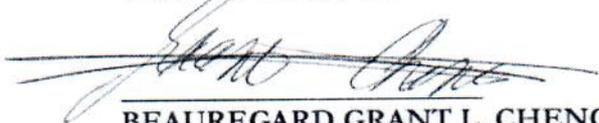
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern as basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the condensed consolidated interim financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has reviewed the condensed consolidated interim financial statements of the Group in accordance with Philippine Standards on Review Engagements, and have rendered their report to the stockholders, upon completion of such review.


JOSE R. SOBERANO III
Chairman of the Board and Chief Executive Officer
TIN# 108-729-320-000


BEAUREGARD GRANT L. CHENG
Chief Financial Officer
TIN#205-557-510-000

Signed this ____ day of APR 09 2025

SUBSCRIBED AND SWORN to before me this APR 09 2025 at TALISAY CITY, CEBU affiants
exhibiting to me their respective Tax Identification Nos.

Doc. No. 299;
Page No. 60;
Book No. 14;
Series of 2025


ATTY. LARRIN G. VELOSO
Notary Public
Talisay City and Naga City, Cebu
Commission No. 2017-05-EJ | December 31, 2026
Roll of Attorneys No. 58901
MCLE Compliance No. VII-0006577 | Roll No. 58901
PTR No. 1381571; 11-19-2024; Cebu Province
IBP No. 472966; 10-24-2024; Cebu Chapter
Block 1, Lot11, San Josemaria Village, Maghaway,
Talisay City, Cebu, Philippines 6045

10th Floor, Park Centrale, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City
Tel. No. (032) 231 - 4914 & (032) 231 - 4870 or Telefax (032) 231 - 5073



P&A
Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Cebu Landmasters, Inc. and Subsidiaries

December 31, 2024, 2023 and 2022

(With Corresponding Figures as of January 1, 2023)

Report of Independent Auditors

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)
10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy., Apas
Cebu City

Opinion

We have audited the consolidated financial statements of Cebu Landmasters, Inc. and Subsidiaries (collectively referred to herein as the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using the full retrospective approach. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition for Real Estate Sales

Description of the Matter

We considered the Group's recognition of revenue from real estate sales a key audit matter due to high volume of transactions and the significant amount involved. In 2024, the Group's revenue from real estate sales amounted to P17.3 billion, which accounts for 89% of the Group's total revenues. The Group uses the percentage of completion (POC) method to calculate contract revenues for the reporting period. This process involves complex application of revenue recognition standards, requiring significant management judgment, particularly in assessing the probability of collecting contract prices and estimating the stage of project completion. An error in the application of the requirements of said standards, and of management judgments and estimates could lead to material misstatement in the consolidated financial statements.

Additionally, the Group adopted in 2024 the previously deferred provisions of PFRS 15, which require the assessment of significant financing component included in the transaction price. This area was also significant to our audit as an error in the application of such complex accounting framework, which also requires significant management's judgment and estimate, could also result in a material misstatement in the consolidated financial statements.

The Group's accounting policies on recognition of revenue from real estate sales, including the impact of adoption of previously deferred provisions of PFRS 15, as well as the basis of significant judgments and estimates, are disclosed in Notes 2 and 3 to the consolidated financial statements, respectively.

How the Matter was Addressed in the Audit

To address the risk of material misstatements in revenue recognition, we tested the design and operating effectiveness of relevant controls, including information technology (IT) general controls, for processes relating to generation and recognition of contract revenue. In addition, we reviewed sales agreements, on a sampling basis, and the relevant facts and circumstances about the real estate transactions to assess compliance with the criteria for revenue recognition. We have also analyzed management's judgment in determining the probability of collection of the contract price by reviewing historical customer payment pattern.

To evaluate progress toward fulfilling performance obligations using the input method, we tested the progress reported for the year by comparing actual costs incurred to total budgeted project development costs. Our procedures include understanding of relevant controls over recording of costs and examining supporting documents. We inspected selected projects under development to evaluate if the completion based on costs is aligned with the physical completion of the project. In testing the reasonableness of budgetary estimates, we assessed the qualifications of project engineers who prepared the budgets, and reviewed the actual performance of completed projects with reference to their budgeted costs.

In relation to the assessment of significant financing component, we reviewed changes to the Group's revenue recognition policy and related business processes. We evaluated management's assumptions used in determining the financing component of the transaction price such as payment terms, projected milestones and applicable discount rates. Additionally, we tested the accuracy of schedules of significant financing components, reviewed contract summaries, and reviewed the prior period adjustments using a full retrospective approach. We also recomputed the transaction prices, examined the supporting documents on a sampling basis, and performed overall analytical review of actual results.

Existence and Accuracy of Real Estate Inventories

Description of the Matter

Real estate inventories amount to P13.1 billion, which accounts for 28% of total current assets and 12% of total assets of the Group, as at December 31, 2024. Due to its significant impact on the consolidated financial statements, we considered the accuracy of real estate inventory as a key audit matter. This includes construction-in-progress, which involves estimating unbilled materials and project contractors' services at the end of the reporting period. Management's failure to consider such unbilled materials and services, and an error in estimating the same, could have a material impact on the carrying value of real estate inventories as well as the POC and cost of real estate sales.

The valuation of the real estate inventories also depends on their existence. The Group's real estate projects are spread across various locations and are at different stages of completion, which require significant judgment and estimation, as such, have also considered the existence of real estate inventories as a key audit matter.

The Group's policy on accounting for real estate inventories is disclosed in Notes 2 and 3 to the consolidated financial statements and an analysis of the assets' components is presented in Note 7.

How the Matter was Addressed in the Audit

We tested the design and operating effectiveness of relevant controls, including IT general controls, for processes relating to purchase initiation, recording, and cost allocation to real estate inventories. To confirm inventory existence, we also performed site inspections of selected real estate projects close to the end of the reporting period and reviewed documents such as land titles, progress reports, and contractors' accomplishment billings.

We also evaluated management's assumptions for estimating unbilled materials and services, by reviewing the technical competence of project engineers who assess the project's POC, and by confirming, on a sample basis, to general contractors of the POC.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Renan A. Piamonte.

PUNONGBAYAN & ARAULLO



By: **Renan A. Piamonte**
Partner

CPA Reg. No. 0107805

TIN 221-843-037

PTR No. 10465913, January 2, 2025, Makati City

BIR AN 08-002511-037-2022 (until October 13, 2025)

BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(With Corresponding Figures as of January 1, 2023)
(Amounts in Philippine Pesos)

A S S E T S	Notes	December 31, 2024	December 31, 2023 (As Restated - see Note 2)	January 1, 2023 (As Restated - see Note 2)
CURRENT ASSETS				
Cash and cash equivalents	5	P 1,583,238,995	P 913,841,206	P 1,434,559,762
Receivables - net	6	4,481,590,912	2,093,139,231	3,571,775,532
Contract assets - net	18	20,843,159,851	26,225,182,718	16,208,926,784
Real estate inventories	7	13,080,093,413	17,055,281,651	17,187,339,900
Deposits on land for future development	8	-	15,000,000	129,996,729
Due from related parties	26	53,425,348	48,596,767	35,802,341
Prepayments and other current assets	9	7,361,411,891	6,434,166,661	4,236,252,125
		<u>47,402,920,410</u>	<u>52,785,208,234</u>	<u>42,804,653,173</u>
Non-current asset held-for-sale	10	237,832,347	-	-
Total Current Assets		<u>47,640,752,757</u>	<u>52,785,208,234</u>	<u>42,804,653,173</u>
NON-CURRENT ASSETS				
Receivables - net	6	128,161,471	156,093,837	106,500,218
Contract assets - net	18	28,583,967,809	18,868,803,692	15,770,136,750
Investments in associates and joint venture	10	784,885,021	142,489,432	133,559,576
Property and equipment - net	11	9,165,352,398	7,241,895,672	4,813,732,450
Right-of-use assets	12	1,094,503,157	1,129,605,407	1,168,049,405
Investment properties - net	13	19,444,997,083	18,334,014,653	17,749,297,533
Other non-current assets - net	14	2,159,905,146	1,789,963,392	1,377,070,838
Total Non-current Assets		<u>61,361,772,085</u>	<u>47,662,866,085</u>	<u>41,118,346,770</u>
TOTAL ASSETS		<u>P 109,002,524,842</u>	<u>P 100,448,074,319</u>	<u>P 83,922,999,943</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	15	P 10,115,412,966	P 11,567,153,371	P 8,123,643,987
Trade and other payables	17	21,052,145,479	22,780,790,598	18,843,635,888
Contract liabilities	18	296,265,114	449,338,207	598,361,867
Customers' deposits	18	90,223,203	144,003,765	120,250,096
Lease liabilities	12	57,922,896	55,717,884	54,145,058
Income tax payable		15,988,162	2,210,977	3,646,417
Total Current Liabilities		<u>31,627,957,820</u>	<u>34,999,214,802</u>	<u>27,743,683,313</u>
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	15	34,536,666,965	30,621,692,365	26,938,646,624
Bonds payable	16	4,964,768,926	4,947,822,521	4,930,582,631
Trade and other payables	17	540,289,379	185,420,132	195,075,703
Lease liabilities	12	1,233,425,726	1,207,138,171	1,182,914,425
Post-employment defined benefit obligation	24	40,309,395	10,395,914	9,390,095
Deferred tax liabilities - net	25	5,752,987,226	5,023,279,337	3,446,388,070
Total Non-current Liabilities		<u>47,068,447,617</u>	<u>41,995,748,440</u>	<u>36,702,997,548</u>
Total Liabilities		<u>78,696,405,437</u>	<u>76,994,963,242</u>	<u>64,446,680,861</u>
EQUITY				
Equity attributable to shareholders of Parent Company	27	20,345,576,387	14,232,257,548	12,063,296,397
Non-controlling interest		9,960,543,018	9,220,853,529	7,413,022,685
Total Equity		<u>30,306,119,405</u>	<u>23,453,111,077</u>	<u>19,476,319,082</u>
TOTAL LIABILITIES AND EQUITY		<u>P 109,002,524,842</u>	<u>P 100,448,074,319</u>	<u>P 83,922,999,943</u>

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	<u>2024</u>	<u>2023</u> (As Restated - see Note 2)	<u>2022</u> (As Restated - see Note 2)
REVENUES	18			
Sale of real estates		P 17,293,737,754	P 16,460,800,115	P 13,943,993,599
Interest income from real estate sales		1,764,792,165	2,047,501,971	1,495,142,763
Hotel operations		240,468,442	138,551,300	83,418,279
Rental		162,412,193	112,343,856	79,277,559
Management fees		<u>63,932,835</u>	<u>59,216,126</u>	<u>55,465,803</u>
		<u>19,525,343,389</u>	<u>18,818,413,368</u>	<u>15,657,298,003</u>
COST OF SALES AND SERVICES	19	(<u>9,356,228,381</u>)	(<u>8,402,799,914</u>)	(<u>7,872,879,398</u>)
GROSS PROFIT		<u>10,169,115,008</u>	<u>10,415,613,454</u>	<u>7,784,418,605</u>
OPERATING EXPENSES	20	(<u>3,200,859,672</u>)	(<u>2,784,634,909</u>)	(<u>2,368,932,953</u>)
OTHER OPERATING INCOME	21	<u>452,169,850</u>	<u>410,779,779</u>	<u>202,542,753</u>
OPERATING PROFIT		<u>7,420,425,186</u>	<u>8,041,758,324</u>	<u>5,618,028,405</u>
FINANCE COSTS	22	(<u>2,188,102,745</u>)	(<u>2,357,079,962</u>)	(<u>1,227,583,663</u>)
FINANCE INCOME	23	<u>24,035,404</u>	<u>14,983,406</u>	<u>14,819,366</u>
SHARE IN NET LOSS OF ASSOCIATES	10	(<u>2,879,180</u>)	(<u>12,570,144</u>)	(<u>9,505,354</u>)
IMPAIRMENT LOSS ON FINANCIAL ASSETS	6	(<u>566,025</u>)	(<u>432,793</u>)	(<u>1,855,555</u>)
OTHER LOSSES	21	(<u>25,133,336</u>)	(<u>3,809,681</u>)	(<u>8,077,498</u>)
PROFIT BEFORE TAX		<u>5,227,779,304</u>	<u>5,682,849,150</u>	<u>4,385,825,701</u>
TAX EXPENSE	25	(<u>1,229,930,327</u>)	(<u>1,847,179,153</u>)	(<u>1,283,909,777</u>)
NET PROFIT		<u>P 3,997,848,977</u>	<u>P 3,835,669,997</u>	<u>P 3,101,915,924</u>
Net profit attributable to:				
Parent Company's shareholders		P 3,009,909,488	P 2,794,959,153	P 2,688,261,719
Non-controlling interests		<u>987,939,489</u>	<u>1,040,710,844</u>	<u>413,654,205</u>
		<u>P 3,997,848,977</u>	<u>P 3,835,669,997</u>	<u>P 3,101,915,924</u>
Earnings per Share:				
Basic and diluted	28	<u>P 0.72</u>	<u>P 0.81</u>	<u>P 0.78</u>
Dividends Declared per Share:	27			
Common shares		<u>P 0.18</u>	<u>P 0.18</u>	<u>P 0.15</u>
Preferred shares:				
Series A-1 (CLIA1)		<u>P 113.77</u>	<u>P -</u>	<u>P -</u>
Series A-2 (CLIA2)		<u>P 123.75</u>	<u>P -</u>	<u>P -</u>

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
NET PROFIT		P 3,997,848,977	P 3,835,669,997	P 3,101,915,924
OTHER COMPREHENSIVE LOSS				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment defined benefit plan	24	(21,868,779)	(5,836,964)	(577,372)
Tax income	25	5,467,195	1,459,241	144,343
		(16,401,584)	(4,377,723)	(433,029)
TOTAL COMPREHENSIVE INCOME		P 3,981,447,393	P 3,831,292,274	P 3,101,482,895
Total comprehensive income attributable to:				
Parent Company's shareholders		P 2,993,507,904	P 2,790,581,430	P 2,687,828,690
Non-controlling interests		987,939,489	1,040,710,844	413,654,205
		P 3,981,447,393	P 3,831,292,274	P 3,101,482,895

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Attributable to Shareholders of Parent Company								Non-controlling Interests (See Note 27)		Total
	Capital Stock (See Note 27)	Additional Paid-in Capital (See Note 27)	Treasury Stock (See Note 27)	Share Options Outstanding (See Note 27)	Revaluation Reserves (See Note 27)	Retained Earnings (see Note 27)					
						Appropriated	Unappropriated	Total			
Balance at January 1, 2024											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 732,664,604)	P 4,311,977	(P 18,288,224)	P 6,914,803,006	P 5,050,870,147	P 11,965,673,153	P 16,451,402,273	P 9,345,354,263	P 25,796,756,536
Effect of restatement - see Note 2	-	-	-	-	-	-	(2,219,144,725)	(2,219,144,725)	(2,219,144,725)	(124,500,734)	(2,343,645,459)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(732,664,604)</u>	<u>4,311,977</u>	<u>(18,288,224)</u>	<u>6,914,803,006</u>	<u>2,831,725,422</u>	<u>9,746,528,428</u>	<u>14,232,257,548</u>	<u>9,220,853,529</u>	<u>23,453,111,077</u>
Transactions with owners											
Issuance of preferred shares	4,280,340	4,247,007,247	-	-	-	-	-	-	4,251,287,587	-	4,251,287,587
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	32,500,000	32,500,000
Cash dividends	-	-	-	-	-	-	(1,132,846,315)	(1,132,846,315)	(1,132,846,315)	(280,750,000)	(1,413,596,315)
Stock option granted	-	-	-	1,369,663	-	-	-	-	1,369,663	-	1,369,663
	<u>4,280,340</u>	<u>4,247,007,247</u>	<u>-</u>	<u>1,369,663</u>	<u>-</u>	<u>-</u>	<u>(1,132,846,315)</u>	<u>(1,132,846,315)</u>	<u>3,119,810,935</u>	<u>(248,250,000)</u>	<u>2,871,560,935</u>
Appropriation of retained earnings											
Reversal of appropriations during the year	-	-	-	-	-	(3,691,083,698)	3,691,083,698	-	-	-	-
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	(16,401,584)	-	3,009,909,488	3,009,909,488	3,009,909,488	987,939,489	3,997,848,977
Other comprehensive loss	-	-	-	-	(16,401,584)	-	-	-	(16,401,584)	-	(16,401,584)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,401,584)</u>	<u>-</u>	<u>3,009,909,488</u>	<u>3,009,909,488</u>	<u>2,993,507,904</u>	<u>987,939,489</u>	<u>3,981,447,393</u>
Balance at December 31, 2024	<u>P 3,627,732,337</u>	<u>P 5,855,925,221</u>	<u>(P 732,664,604)</u>	<u>P 5,681,640</u>	<u>(P 34,689,808)</u>	<u>P 3,223,719,308</u>	<u>P 8,399,872,293</u>	<u>P 11,623,591,601</u>	<u>P 20,345,576,387</u>	<u>P 9,960,543,018</u>	<u>P 30,306,119,405</u>
Balance at January 1, 2023											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 732,664,604)	P 2,195,991	(P 13,910,501)	P 3,931,475,893	P 5,082,096,405	P 9,013,572,298	P 13,501,563,155	P 7,511,051,738	P 21,012,614,893
Effect of restatement - see Note 2	-	-	-	-	-	-	(1,438,266,758)	(1,438,266,758)	(1,438,266,758)	(98,029,053)	(1,536,295,811)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(732,664,604)</u>	<u>2,195,991</u>	<u>(13,910,501)</u>	<u>3,931,475,893</u>	<u>3,643,829,647</u>	<u>7,575,305,540</u>	<u>12,063,296,397</u>	<u>7,413,022,685</u>	<u>19,476,319,082</u>
Transactions with owners											
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	879,500,000	879,500,000
Cash dividends	-	-	-	-	-	-	(623,736,265)	(623,736,265)	(623,736,265)	(112,380,000)	(736,116,265)
Stock option granted	-	-	-	2,115,986	-	-	-	-	2,115,986	-	2,115,986
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,115,986</u>	<u>-</u>	<u>-</u>	<u>(623,736,265)</u>	<u>(623,736,265)</u>	<u>(621,620,279)</u>	<u>767,120,000</u>	<u>145,499,721</u>
Appropriation of retained earnings											
Appropriations during the year	-	-	-	-	-	6,324,658,043	(6,324,658,043)	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	(3,341,330,930)	3,341,330,930	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983,327,113</u>	<u>(2,983,327,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	(4,377,723)	-	2,794,959,153	2,794,959,153	2,794,959,153	1,040,710,844	3,835,669,997
Other comprehensive loss	-	-	-	-	(4,377,723)	-	-	-	(4,377,723)	-	(4,377,723)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,377,723)</u>	<u>-</u>	<u>2,794,959,153</u>	<u>2,794,959,153</u>	<u>2,790,581,430</u>	<u>1,040,710,844</u>	<u>3,831,292,274</u>
Balance at December 31, 2023	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>(P 732,664,604)</u>	<u>P 4,311,977</u>	<u>(P 18,288,224)</u>	<u>P 6,914,803,006</u>	<u>P 2,831,725,422</u>	<u>P 9,746,528,428</u>	<u>P 14,232,257,548</u>	<u>P 9,220,853,529</u>	<u>P 23,453,111,077</u>
Balance at January 1, 2022											
As previously reported	P 3,623,451,997	P 1,608,917,974	(P 748,171,901)	P -	(P 13,477,472)	P 172,049,912	P 6,197,103,693	P 6,369,153,605	P 10,839,874,203	P 7,092,307,321	P 17,932,181,524
Effect of restatement	-	-	-	-	-	-	(955,640,738)	(955,640,738)	(955,640,738)	(74,679,850)	(1,030,320,588)
As restated	<u>3,623,451,997</u>	<u>1,608,917,974</u>	<u>(748,171,901)</u>	<u>-</u>	<u>(13,477,472)</u>	<u>172,049,912</u>	<u>5,241,462,955</u>	<u>5,413,512,867</u>	<u>9,884,233,465</u>	<u>7,017,627,471</u>	<u>16,901,860,936</u>
Transactions with owners											
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	61,641,010	61,641,010
Cash dividends	-	-	-	-	-	-	(519,780,221)	(519,780,221)	(519,780,221)	(79,900,000)	(599,680,221)
Stock option granted	-	-	-	3,005,840	-	-	-	-	3,005,840	-	3,005,840
Stock option exercised	-	-	15,507,297	(809,849)	-	-	(6,688,825)	(6,688,825)	8,008,623	-	8,008,623
	<u>-</u>	<u>-</u>	<u>15,507,297</u>	<u>2,195,991</u>	<u>-</u>	<u>-</u>	<u>(526,469,046)</u>	<u>(526,469,046)</u>	<u>(508,765,758)</u>	<u>(18,258,990)</u>	<u>(527,024,748)</u>
Appropriation of retained earnings											
Appropriations during the year	-	-	-	-	-	3,931,475,893	(3,931,475,893)	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	(172,049,912)	172,049,912	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,759,425,981</u>	<u>(3,759,425,981)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year											
Net profit for the year	-	-	-	-	(433,029)	-	2,688,261,719	2,688,261,719	2,688,261,719	413,654,205	3,101,915,924
Other comprehensive loss	-	-	-	-	(433,029)	-	-	-	(433,029)	-	(433,029)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(433,029)</u>	<u>-</u>	<u>2,688,261,719</u>	<u>2,688,261,719</u>	<u>2,687,828,690</u>	<u>413,654,205</u>	<u>3,101,482,895</u>
Balance at December 31, 2022	<u>P 3,623,451,997</u>	<u>P 1,608,917,974</u>	<u>(P 732,664,604)</u>	<u>P 2,195,991</u>	<u>(P 13,910,501)</u>	<u>P 3,931,475,893</u>	<u>P 3,643,829,647</u>	<u>P 7,575,305,540</u>	<u>P 12,063,296,397</u>	<u>P 7,413,022,685</u>	<u>P 19,476,319,082</u>

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 5,227,779,304	P 5,682,849,150	P 4,385,825,701
Adjustments for:				
Interest expense on:	22			
Loans		1,971,427,485	2,205,875,946	1,136,010,363
Bonds		131,374,423	66,856,868	15,444,620
Lease liabilities		81,997,700	80,167,300	75,629,879
Depreciation and amortization	20	175,519,160	186,911,151	170,626,662
Interest income	23	(20,582,423)	(13,874,699)	(14,664,879)
Share in net losses of associates	10	2,879,180	12,570,144	9,505,354
Share option benefits expense	24, 27	1,369,663	2,115,986	3,005,840
Loss (gain) on sale of property and equipment	11	(1,368,905)	17,410	(128,365)
Impairment loss on financial assets	6	566,025	432,793	1,855,555
Operating profit before working capital changes		7,570,961,612	8,223,922,049	5,783,110,730
Decrease (increase) in receivables		(2,361,085,340)	1,428,609,888	2,325,639,618
Increase in contract assets		(4,333,141,250)	(13,114,922,876)	(11,688,758,349)
Decrease in real estate inventories		5,280,667,025	1,718,791,115	1,914,260,983
Decrease (increase) in prepayments and other current assets		(701,073,022)	(2,197,914,536)	625,328,447
Increase in deposits on land for future development		-	(349,502,459)	(129,996,729)
Increase in other non-current assets		(373,866,151)	(418,939,623)	(1,069,949,268)
Increase in trade and other payables		113,592,630	1,561,102,964	3,804,705,659
Decrease in contract liabilities		(153,073,093)	(149,023,660)	(5,892,736)
Increase (decrease) in customers' deposits		(53,780,562)	23,753,669	30,353,089
Increase (decrease) in post-employment defined benefit obligation		13,511,897	(4,831,145)	4,059,394
Cash generated from (used in) operations		5,002,713,746	(3,278,954,614)	1,592,860,838
Cash paid for taxes		(712,617,461)	(270,264,085)	(300,933,097)
Net Cash From (Used in) Operating Activities		4,290,096,285	(3,549,218,699)	1,291,927,741
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment properties	13	(3,227,521,353)	(321,623,733)	(5,174,664,275)
Acquisitions of property and equipment	11	(1,466,756,262)	(996,053,776)	(1,204,019,547)
Additional investments in associates and a joint venture	10	(883,107,116)	(21,500,000)	(8,000,000)
Interest received		20,582,423	13,874,699	14,664,879
Advances to related parties	26	(4,828,581)	(12,794,426)	(368,535)
Acquisitions of computer software	14	(3,446,947)	(1,914,986)	(3,064,323)
Proceeds from sale of property and equipment		2,740,603	563,795	1,043,039
Collections of advances to related parties	26	-	-	22,000,465
Net Cash Used in Investing Activities		(5,562,337,233)	(1,339,448,427)	(6,352,408,297)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of interest-bearing loans - net	15	17,475,143,091	12,943,572,214	11,749,374,715
Repayments of interest-bearing loans	15	(15,162,165,054)	(5,791,848,745)	(8,807,422,731)
Proceeds from issuance of shares of stock	27	4,251,287,587	-	-
Interest paid on interest-bearing loans		(3,211,966,319)	(2,543,426,951)	(1,907,051,243)
Cash dividends paid	27	(1,074,189,609)	(727,716,265)	(599,680,221)
Interest paid on bonds		(315,465,826)	(337,485,050)	(14,704,640)
Payment of lease liabilities	12	(53,505,133)	(54,646,634)	(17,574,742)
Additional investment from non-controlling shareholders	27	32,500,000	879,500,000	61,641,010
Proceeds from issuances of bonds - net	34	-	-	4,926,627,631
Proceeds from reissuance of treasury stock		-	-	8,008,623
Net Cash From Financing Activities		1,941,638,737	4,367,948,570	5,399,218,402
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		669,397,789	(520,718,556)	338,737,846
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		913,841,206	1,434,559,762	1,095,821,916
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,583,238,995	P 913,841,206	P 1,434,559,762

Supplemental Information on Non-cash Activities is disclosed in Note 35.

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Cebu Landmasters, Inc. (the Parent Company or CLI) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 26, 2003. CLI is presently engaged in real estate-related activities which include real estate development, sales, leasing and property management. The Parent Company's real estate portfolio include condominium and subdivision for residence, mixed-use properties, townships, hotels and resorts, offices, and co-living space.

The Parent Company is a subsidiary of A B Soberano Holdings Corp. (the Ultimate Parent Company or ABS). ABS is a holding company and is incorporated and domiciled in the Philippines. The registered office address and principal place of business of ABS is located at 2nd Street, Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the Board of Directors (BOD) approved the Parent Company's application for the registration of its common stocks with the SEC and application for the listing thereof in the Philippine Stock Exchange (PSE). The Parent Company's shares were listed on the main board of the PSE on June 2, 2017 (see Note 27).

The registered office address of CLI, which is also its principal place of business, is located at 10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu I.T. Park, Brgy. Apas, Cebu City, Philippines.

1.2 Subsidiaries, Associates and Joint Venture

CLI holds ownership interests in the following subsidiaries, associates and a joint venture:

Entities	Note	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
CLI Premier Hotels Int'l. Inc. (CPH)	(a)	100%	100%
Cebu Landmasters Property Management, Inc. (CPM)	(b)	100%	100%
A.S. Fortuna Property Ventures, Inc. (ASF)	(c)	100%	100%
CLI Hotels and Resorts Inc. (CHR)	(d)	100%	100%
CLI-LITE Panglao Inc. (CLI-LITE)	(e)	88%	88%
Ming-mori Development Corporation (MDC)	(f)	78%	78%
Sugbo Prime Estate, Inc. (SPE)	(g)	64%	64%
BL CBP Ventures, Inc. (BL Ventures)	(h)	50%	50%
<i>(Forward)</i>			

Entities	Note	Effective Percentage of Ownership	
		2024	2023
<i>Subsidiaries</i>			
Yuson Excellence Soberano, Inc. (YES)	(i)	50%	50%
Yuson Huang Excellence Soberano, Inc. (YHES)	(j)	50%	50%
YHEST Realty and Development Corporation (YHEST)	(k)	50%	50%
CCLI Premier Hotels, Inc. (CCLI)	(l)	50%	50%
Cebu Homegrown Developers, Inc. (CHDI)	(m)	50%	50%
YHES Premier Hotels Inc. (YHESPH)	(n)	50%	50%
Cebu BL-Ramos Ventures Inc. (CBLRV)	(o)	50%	50%
GGTT Realty Corporation (GGTT)	(p)	50%	50%
Mivesa Garden Residences, Inc. (MGR)	(q)	45%	45%
El Camino Developers Cebu, Inc. (El Camino)	(r)	35%	35%
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(s)	43%	43%
ICOM Air Corporation (ICOM)	(t)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(u)	25%	25%
<i>Joint Venture</i>			
CLI NUD Ventures, Inc. (CLI NUD)*	(v)	30%	-

*see Notes 10 and 35

CLI and its subsidiaries (collectively referred as “the Group”), associates and joint venture are all incorporated in the Philippines. The subsidiaries, associates and joint venture, except CPH, CPM, CHR, CCLI, YHESPH and ICOM, are in the same line of business as CLI. A brief description of these entities follows:

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of CLI. CPH is engaged in the real estate and hotel management business, which started commercial operations on September 14, 2019. The principal place of business of CPH is located in Cebu City.
- (b) CPM was incorporated in 2017 as a wholly owned subsidiary of CLI. CPM is engaged in the management of condominium corporations and housing associations affiliated with CLI. CPM has started commercial operations on September 1, 2017. The principal place of business of CPH is located in Cebu City.
- (c) ASF was incorporated in 2017 as a joint venture where CLI initially held 40% ownership interest. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary. The principal place of business of ASF is located in Cebu City.
- (d) CHR was incorporated on August 4, 2022 as a wholly-owned subsidiary of CLI and is engaged to run and manage the Group’s various hotel projects. CHR started its commercial operations in January 2024. Its principal place of business is located in Cebu City.

- (e) CLI-LITE was incorporated on July 19, 2021 as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (f) MDC was incorporated in 2013 as an undertaking between CLI and four other entities for the development of an economic business district. The principal place of business of MDC is located in Cebu City.
- (g) SPE was formed in 2019 as a one person corporation and was converted to an ordinary stock corporation after entering into a joint venture with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is located in Cebu City.
- (h) BL Ventures was formed by CLI and Borromeo Bros. Estate, Inc. (BBEI) to construct and operate Latitude Corporate Center. The principal place of business of BL Ventures is located in Cebu City.
- (i) YES was formed by CLI and Yuson Comm. Investments, Inc. to construct and operate Messatiera Garden Residences in Davao. The principal place of business of YES is located in Davao City.
- (j) YHES was incorporated in 2017 as an undertaking among CLI, Yuson Strategic Holdings, Inc., and Davao Filandia Realty Corp. for the development of mixed-used real estate project, the Paragon Davao. The principal place of business of YHES is located in Davao City.
- (k) YHEST was incorporated in 2018 as an undertaking among CLI and five corporations for the development of a central business district located at Matina, Davao. The principal place of business of YHEST is located in Davao City.
- (l) CCLI was incorporated in 2018 as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. CCLI started its commercial operations in June 2024. The principal place of business of CCLI is located in Bacolod City.
- (m) CHDI is an undertaking between CLI and Aboitiz Land, Inc. and was incorporated on December 5, 2019. CHDI is engaged in the development of a high-rise mixed-use condominium complex in Mandaue City, Cebu. Its principal place of business is in Cebu City.
- (n) YHESPH was incorporated on October 28, 2019 as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. As at December 31, 2024, YHESPH has yet to start commercial operations.
- (o) CBLRV, a new subsidiary in 2020, was incorporated on February 21, 2020 as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business also is located in Cebu City.

- (p) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City.
- (q) MGR was incorporated in 2017 as an undertaking by CLI and three corporations for the construction of buildings 6 and 7 of the Mivesa Garden Residences condominium. MGR is considered a subsidiary of CLI because CLI is exposed, or has rights, to variable returns from its involvement with MGR and has the ability to affect those returns due to its full control on MGR's management. The principal place of business of MGR is located in Cebu City.
- (r) El Camino was incorporated in 2016 as an undertaking between CLI and four other corporations for the development of 38 Park Avenue condominium project in Cebu City. CLI controls the operations of El Camino by virtue of an agreement among the shareholders and as such CLI is considered El Camino's parent company. The principal place of business of El Camino is located in Cebu City.
- (s) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is located in Iloilo City. As of December 31, 2024, IGCC has yet to commence commercial operations.
- (t) ICOM was incorporated on December 7, 2020 as an undertaking of CLI and various individual stockholders and corporations to import aircraft(s) and to operate a transportation business in the Philippines. ICOM's principal place of business is in Iloilo City.
- (u) Magspeak was incorporated in 2011 as an undertaking among CLI and four other corporations for the development of a mountain resort to be located in Balamban, Cebu. The principal place of business of Magspeak is located in Cebu City.
- (v) CLI NUD was incorporated on April 5, 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd., a Japanese company known for its mixed use residential and commercial developments, to develop a highly desirable residential condominium enclave with retail area. CLI has a committed plan to sell a portion of the CLI NUD shares it holds (see Notes 10 and 35). Its principal place of business is located in Cebu City. As of December 31, 2024, CLI NUD has yet to commence commercial operations (see Note 10).

1.3 Approval of Issuance of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 (including the comparative consolidated financial statements for the years ended December 31, 2023 and 2022), were authorized for issue by the BOD on April 9, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 *Basis of Preparation of Consolidated Financial Statements*

(a) *Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *SEC Financial Reporting Reliefs Availed by the Group*

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to the implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods [Philippine Accounting Standards (PAS) 23, *Borrowing Cost*] using the full retrospective approach, as prescribed by SEC Memorandum Circular (MC) No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to clarify transitory provision*.

Discussed below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at and for the year ended December 31, 2023, and as at January 1, 2023.

(i) *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry*

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

The adoption of the above IFRIC Agenda Decision resulted in the restatement of the following relevant consolidated financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Finance costs	1,753,893,130
Cost of sales and services	(1,237,547,615)
Real estate inventories	(516,345,515)
Deferred tax liabilities - net	(291,004,134)
Deferred tax expense	291,004,134
<u>January 1, 2023:</u>	
Finance costs	2,579,266,239
Real estate inventories	(1,121,869,080)
Cost of sales and services	(1,457,397,159)
Deferred tax liabilities - net	(414,426,730)
Deferred tax expense	414,426,730

- (ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

The adoption of this interpretation resulted in the restatement of the following consolidated financial statements accounts as at and for the year ended December 31, 2023 and as at January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Increase (Decrease)</u>
<u>December 31, 2023:</u>	
Sale of real estates	(2,047,501,971)
Interest income from real estate sales	2,047,501,971
<u>January 1, 2023:</u>	
Sale of real estates	(1,495,142,763)
Interest income from real estate sales	1,495,142,763

The table below shows the effects of the adoption of the previously deferred provisions in the consolidated statements of financial position as of December 31, 2023 and January 1, 2023.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>As of December 31, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	18,693,496,246	(1,638,214,595)	17,055,281,651
<i>Change in liabilities –</i>				
Deferred tax liabilities - net	2.1b(i)	(4,317,848,473)	<u>(705,430,864)</u>	(5,023,279,337)
			<u>(2,343,645,459)</u>	
<i>Change in equity –</i>				
Equity attributable to shareholders of the Parent Company	2.1b(i)	(16,451,402,273)	2,219,144,725	(14,232,257,548)
Non-controlling interests	2.1b(i)	(9,345,354,263)	<u>124,500,734</u>	(9,220,853,529)
			<u>2,343,645,459</u>	
<u>As of January 1, 2023</u>				
<i>Change in assets –</i>				
Real estate inventories	2.1b(i)	18,309,208,981	(1,121,869,081)	17,187,339,900
<i>Change in liabilities –</i>				
Deferred tax liabilities - net	2.1b(i)	(3,031,961,340)	<u>(414,426,730)</u>	(3,446,388,070)
			<u>(1,536,295,811)</u>	
<i>Change in equity –</i>				
Equity attributable to shareholders of the Parent Company	2.1b(i)	(13,501,563,155)	1,438,266,758	(12,063,296,397)
Non-controlling interests	2.1b(i)	(7,511,051,738)	<u>98,029,053</u>	(7,413,022,685)
			<u>1,536,295,811</u>	

The effects of the restatements in the consolidated statements of profit or loss for the years ended December 31, 2023 and 2022 are summarized below:

<i>(Amounts in PHP)</i>	Note	As Previously Reported	Restatements	As Restated
<u>2023</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Sale of real estate	2.1b(ii)	18,508,302,086	(2,047,501,971)	16,460,800,115
Interest income from real estate sales	2.1b(ii)	-	2,047,501,971	2,047,501,971
Cost of sales and services	2.1b(i)	(9,640,347,529)	1,237,547,615	(8,402,799,914)
Finance costs	2.1b(i)	(603,186,832)	(1,753,893,130)	(2,357,079,962)
Tax expense	2.1b(i)	(1,556,175,019)	<u>(291,004,134)</u>	(1,847,179,153)
			<u>(807,349,649)</u>	
Net profit attributable to:				
Parent Company's shareholders	2.1b(i)	3,575,837,120	(780,877,968)	2,794,959,153
Non-controlling interest	2.1b(i)	1,067,182,525	<u>(26,471,681)</u>	1,040,710,844
			<u>(807,349,649)</u>	
Earnings per share				
Basic and diluted		1.03		0.81
<u>2022</u>				
<i>Changes in net profit and total comprehensive income:</i>				
Sale of real estate	2.1b(ii)	15,439,136,362	(1,495,142,763)	13,943,993,599
Interest income from real estate sales	2.1b(ii)	-	1,495,142,763	1,495,142,763
Cost of sales and services	2.1b(i)	(8,367,635,549)	494,756,151	(7,872,879,398)
Finance costs	2.1b(i)	(351,048,830)	(876,534,833)	(1,227,583,663)
Tax expense	2.1b(i)	(1,159,713,237)	<u>(124,196,540)</u>	(1,283,909,777)
			<u>(505,975,222)</u>	
Net profit attributable to:				
Parent Company's shareholders	2.1b(i)	3,170,887,739	(482,626,020)	2,688,261,719
Non-controlling interest	2.1b(i)	437,003,407	<u>(23,349,202)</u>	413,654,205
			<u>(505,975,222)</u>	
Earnings per share				
Basic and diluted		0.92		0.78

The effects of the restatements in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022 are summarized as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>As Previously Reported</u>	<u>Restatements</u>	<u>As Restated</u>
<u>2023</u>				
<i>Changes in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax	2.1b(i)	6,199,194,671	(516,345,521)	5,682,849,150
Adjustment for –				
Interest expense				
on loans	2.1b(i)	451,982,816	1,753,893,130	2,205,875,946
Decrease in real estate				
inventories	2.1b(i)	2,956,338,724	<u>(1,237,547,609)</u>	1,718,791,115
			<u> -</u>	
<u>2022</u>				
<i>Changes in cash flows from</i>				
<i>Operating activities:</i>				
Profit before tax	2.1b(ii)	4,767,604,383	(381,778,682)	4,385,825,701
Adjustment for –				
Interest expense				
on loans	2.1b(i)	259,475,530	876,534,833	1,136,010,363
Decrease in real estate				
inventories	2.1b(i)	2,409,017,134	<u>(494,756,151)</u>	1,914,260,983
			<u> -</u>	

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents consolidated statement of comprehensive income separate from the consolidated statement of profit or loss.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group's consolidated financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Group's consolidated financial statements.

- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Group's consolidated financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The Group has no sale and leaseback transactions.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Group's consolidated financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are accounted for using the acquisition method of accounting.

Acquired investment in associate is subject to the purchase method.

A joint venture pertains to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venture entity pertains to whose economic activities are controlled jointly by the Parent Company and by other venturers independent of the Parent Company (joint venturers).

The Group's investments in associates and a joint venture are accounted for under the equity method of accounting.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The Group's financial assets are all categorized as financial assets at amortized cost.

(ii) Impairment of Financial Assets

The expected credit losses (ECL) on receivables and contract assets are estimated by a probability weighted estimate of credit losses over the expected life of the financial assets. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

For other financial assets, if the credit risk has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition.

(b) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, bonds payable, and trade and other payables [except government-related obligations, advance rental and output value-added tax (VAT)].

2.5 Non-current Assets Classified as Held for Sale

Non-current assets held for sale are measured at lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value costs to sell.

2.6 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, except for lease liabilities which are measured based on the present value of the remaining lease payments as if the acquired lease were a new lease at acquisition date and right-of-use assets which are measured at an amount equal to the recognized lease liability, adjusted to reflect favorable or unfavorable lease terms compared with market terms. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

2.7 Real Estate Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the contract balances to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of profit or loss.

2.8 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Buildings	20 years
Transportation equipment	5 years
Operating equipment	3-5 years
Furniture and fixtures	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.9 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets ranging from 20 to 50 years.

2.10 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties.

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (c) *Rendering of management services* – Revenue from the rendering of management services is recognized over time as the services are provided to the client entities. The client entities are invoiced monthly as work progresses, which are also due upon receipt by them. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.
- (d) *Hotel operations* – Revenues are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Group.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commissions and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. The Group presents Deferred commissions as part of Prepayment and Other Current Assets when it is expected to be expensed within 12 months after the balance sheet date. Any remaining balance is presented as part of Other Non-current Assets.

Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

Under its contracts with customers, the Group recognizes Contract receivables, which is presented under Receivables account, when it has an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.4(a)(ii)].

In determining the transaction price, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Interest Income from Real Estate Sales in the statement of comprehensive income. The significant judgment used in determining the existence of a significant financing component in the contract is disclosed in Note 3.1(d).

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position.

2.11 Leases

(a) The Group as Lessee

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is two to years for offices and 19 to 36 years for land.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) The Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.12 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory, and administered by a trustee.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(c)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) Evaluation of Timing of Satisfaction of Performance Obligations

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determined that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(c) *Determination of Collection Threshold for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price. Management is confident that when the collections received from the buyers exceed a certain threshold, it would be unlikely for the buyer to default and therefore, cancel the contract. Accordingly, the Group will not recognize the whole contract and no revenue will be recognized when the collection threshold is not yet reached.

(d) *Determination of the Existence of Significant Financing Component in the Contract*

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) *Assessment Involving Right of Return*

The Group's real estate sales under pre-completed contracts has variable consideration, which is the right of return when a buyer defaulted the equity payments. Moreover, Republic Act (R.A.) No. 6552, *Realty Installment Buyer Act* or, which is popularly known in the Philippines as the *Maceda Law*, provides a statutory obligation to the Group to refund the buyer the cash surrender value of the collections received on the property equivalent to 50% of the total collected amount, and, after five years of installment payments, an additional 5% every year but not to exceed 90% of the total collections received.

(f) *Determination of ECL on Receivables and Contract Assets*

The Group uses the cumulative loss rate approach to calculate ECL for receivables and contract assets. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Group has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

Details about the ECL on the Group's receivables and contract assets are disclosed in Note 31.2.

(g) *Distinction Between Investment Properties and Owner-managed Properties*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the operations.

(h) *Distinction Between Inventories and Investment Properties*

Real estate inventories comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgment.

(i) *Evaluation of Change in Use for Transfers to or from Investment Properties*

The Group evaluates transfers of properties to or from its investment properties by carefully assessing changes in their use (see Notes 7 and 11). Such transfers are primarily driven by shifts in business plans, supported by tangible actions like obtaining necessary permits or preparing properties for sale. A change in management's intent alone is insufficient evidence to justify a transfer. Instead, the Group relies on objective and substantive indicators, considering all relevant facts and circumstances, to determine whether the properties meet the definition of the financial statement accounts. This judgment ensures that the classification aligns with the substance of the transactions and the Group's ordinary business activities.

(j) Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, its leases are all operating leases.

(k) Distinction Between Joint Operations and Joint Ventures

The Group has entered into various joint arrangements. Critical judgment was exercised by management to distinguish each joint arrangement as either joint operations or joint ventures by looking at the rights and obligations held by an entity in relation to the arrangement.

(l) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office space, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(m) Accounting for Equity Ownership Interest in Subsidiaries and Associates

In classifying its equity acquisitions as an investment in a subsidiary or associates, the Group evaluates whether control or significant influence exists. Control is present when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policy decisions.

Based on management's assessment, the Parent Company has control over MGR and El Camino despite having ownership interests of 45% and 35%, respectively, at the time of consolidation. This control is evidenced by its direction of relevant activities and decision-making power on the operations of these entities by virtue of agreements between the stockholders.

(n) *Determination of Joint Control of Arrangements and Type of Joint Arrangements*

Management has assessed that the Parent Company has joint control over CLI NUD notwithstanding that it owns more than 50% of the voting interests. This view is based on the contractual arrangement with the other shareholder requiring unanimous consent for all major decisions; hence, the Group has classified its initial 60% interest in CLI NUD as an investment in a joint venture (see Note 10.1). In making this decision, the Group considered the terms and conditions of the agreements, as well as the purpose and design of the joint arrangements.

Currently, the Parent Company is in the process of selling 30% of its 60% interest in CLI NUD (see Note 10.3). Should the planned disposal be completed, the investment will remain classified as a joint venture in the Group's consolidated financial statements. This reflects the ongoing joint control and the terms and conditions outlined in the shareholder agreements.

(o) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. The disclosures on relevant contingencies are presented in Note 29.

(p) *Determination of Preferred Shares as Equity or Liability*

The Group exercises judgment in classifying its preferred shares as financial liabilities or equity instruments. In making this judgment, the Group considers the specific terms and conditions of the preferred shares, including redemption and dividend rights. Based on management's assessment, the preferred shares are classified as equity securities, as the Group has the discretion to defer the payments of principal and dividends indefinitely (see Note 27.1).

(q) *Evaluation of Non-current Assets as Non-current Assets Held for Sale*

The Group determines whether its non-current assets qualify as held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operation*. The key judgments made in this assessment include (a) the expected timing of the sale; (b) the likelihood of regulatory approvals required for the sale; and (c) the intention and clear commitment of management to sell the assets.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Revenue Recognition for Performance Obligations Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(c) *Determination of Appropriate Discount Rate in Measuring Significant Financing Component*

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing' the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction.

For contracts classified as 'buyer financing', the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower.

(d) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgment in the estimation of the contractual cash flows due from counterparties that the Group would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year.

Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 31.2.

(e) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The future realization of the carrying amounts of real estate inventory as presented in Note 7, is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's real estate inventories within the next financial reporting period.

Considering the Group's pricing policy, the net realizable values of real estate inventories for sale are determined to be higher than their related costs.

(f) *Estimation of Useful Lives of Property and Equipment, Investment Properties and Right-of-use Assets*

The Group estimates the useful lives of property and equipment, investment properties and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, right-of use assets, and investment properties are analyzed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of these assets during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(g) *Impairment of Non-financial Assets*

The Group's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management assessed that no impairment loss is required to be provided on its significant non-financial assets, particularly property and equipment, right-of-use assets and investment properties, as at December 31, 2024, 2023 and 2022.

(b) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit as well as the significant assumptions used in estimating such obligation are presented in Note 24.3.

(i) *Fair Value Measurement of Share Options*

The Group estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 27.4, which include, among others, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Parent Company's share price. Changes in these factors can affect the fair value of share options at grant date.

Details of employee share option plan and the amount of fair value recognized is presented in Note 27.4.

(j) *Fair Value Measurement for Investment Properties*

Investment properties are measured using the cost model. The fair value of investment property held for capital appreciation and to earn rental income disclosed in the consolidated financial statements is determined by the Group based on the appraisal reports of a professional and independent appraiser.

The fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Such amount is influenced by different factors including the location and specific characteristics of the property, quantity of comparable properties in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets being disclosed.

The fair value the Group's investment properties as at December 31, 2024 and 2023 is disclosed in Notes 13 and 32.3(c).

4. SEGMENT INFORMATION

4.1 Business Segments

The Group's operating segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's real estate segment covers the development and sale of residential and office units to individual and corporate buyers. The rental segment includes leasing of office and commercial spaces to corporate organizations. The management services segment focuses on the management of real estate projects and upkeep services to condominium corporations and housing associations. The hotel operations segment relates to the management of hotel business operations that caters hotel guest.

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

4.2 Segment Reporting

In identifying its operating segments, management generally follows the Group's products and service lines, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements, except that the following are not included in arriving at the operating profit of the operating segments:

- post-employment benefit expenses;
- expenses relating to share-based payments;
- research costs relating to new business activities; and,
- revenue, costs and fair value gains from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4.3 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, real estate inventories, property and equipment, and investment properties, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and segment liabilities do not include deferred taxes.

4.4 Intersegment Transactions

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

4.5 Analysis of Segment Information

The following tables present revenue and profit information regarding industry segments for the years ended December 31, 2024, 2023 and 2022 and certain assets and liabilities information regarding segments as at December 31, 2024, 2023 and 2022:

(Amounts in PHP)	2024				
	Real Estate	Rental	Management Services	Hotel Operations	Total
REVENUES					
Sale to external customer	19,058,529,919	162,412,193	63,932,835	240,468,442	19,525,343,389
Intersegment sales	27,390,264	10,565,044	179,051,469	160,823	217,167,600
Total revenues	<u>19,085,920,183</u>	<u>172,977,237</u>	<u>242,984,304</u>	<u>240,629,265</u>	<u>19,742,510,989</u>
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	9,085,057,643	-	43,189,532	160,116,973	9,288,364,148
Operating expenses excluding depreciation and amortization	2,835,464,497	14,317,785	16,731,716	226,690,747	3,093,204,745
Depreciation and amortization	94,548,094	67,864,232	19,977	13,086,857	175,519,160
Impairment loss	-	-	566,025	-	566,025
Total costs and expenses	<u>12,015,070,234</u>	<u>82,182,017</u>	<u>60,507,250</u>	<u>399,894,577</u>	<u>12,557,654,078</u>
FINANCE COST (INCOME)					
Interest expense on:					
Loans	1,954,196,887	16,169,279	-	1,061,319	1,971,427,485
Bond	131,374,423	-	-	-	131,374,423
Lease liabilities	68,011,157	-	-	13,986,543	81,997,700
Interest income on banks	(20,210,061)	(159,218)	(5,533)	(207,611)	(20,582,423)
Total finance cost (income)	<u>2,133,372,406</u>	<u>16,010,061</u>	<u>(5,533)</u>	<u>14,840,251</u>	<u>2,164,217,185</u>
SEGMENT PROFIT (LOSS) BEFORE TAX					
	<u>4,937,477,543</u>	<u>74,785,159</u>	<u>182,482,588</u>	<u>(174,105,563)</u>	<u>5,020,639,727</u>
ASSETS AND LIABILITIES					
Segment assets	<u>99,282,879,245</u>	<u>18,976,336,604</u>	<u>149,591,227</u>	<u>2,798,428,542</u>	<u>121,207,235,618</u>
Segment liabilities	<u>72,022,526,371</u>	<u>82,779,598</u>	<u>120,034,121</u>	<u>2,363,856,285</u>	<u>74,589,196,375</u>
Non-current asset held for sale	<u>237,832,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,832,347</u>
2023 (As Restated – see Note 2)					
(Amounts in PHP)	Real Estate	Rental	Management Services	Hotel Operations	Total
Revenues					
Sale to external customer	18,508,302,086	112,343,856	59,216,126	138,551,300	18,818,413,368
Intersegment sales	(250,714)	17,808,753	172,903,762	-	190,461,801
Total revenues	<u>18,508,051,372</u>	<u>130,152,609</u>	<u>232,119,888</u>	<u>138,551,300</u>	<u>19,008,875,169</u>
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	8,230,066,891	771,352	31,403,825	54,607,458	8,316,849,526
Operating expenses excluding depreciation and amortization	2,532,762,062	10,037,973	20,806,625	120,067,486	2,683,674,146
Depreciation and amortization	88,661,778	85,950,388	26,454	12,272,531	186,911,151
Impairment loss	-	-	-	432,793	432,793
Total costs and expenses	<u>10,851,490,731</u>	<u>96,759,713</u>	<u>52,236,904</u>	<u>187,380,268</u>	<u>11,187,867,616</u>
FINANCE COST (INCOME)					
Interest expense on:					
Loans	2,202,639,676	3,236,270	-	-	2,205,875,946
Bonds	66,856,868	-	-	-	66,856,868
Lease liabilities	-	66,164,357	-	14,002,943	80,167,300
Interest income on banks	(13,466,493)	(95,293)	(3,790)	(309,123)	(13,874,699)
Total finance cost (income)	<u>2,256,030,051</u>	<u>69,305,334</u>	<u>(3,790)</u>	<u>13,693,820</u>	<u>2,339,025,415</u>
SEGMENT PROFIT (LOSS) BEFORE TAX					
	<u>5,400,530,590</u>	<u>(35,912,438)</u>	<u>179,886,774</u>	<u>(62,522,788)</u>	<u>5,481,982,138</u>
ASSETS AND LIABILITIES					
Segment assets	<u>90,394,557,612</u>	<u>18,083,475,472</u>	<u>124,577,602</u>	<u>2,207,726,408</u>	<u>110,810,337,094</u>
Segment liabilities	<u>71,364,917,730</u>	<u>60,997,437</u>	<u>102,698,177</u>	<u>1,665,906,004</u>	<u>73,194,519,348</u>

<i>(Amounts in PHP)</i>	2022 (As Restated – see Note 2)				
	Real Estate	Rental	Management Services	Hotel Operations	Total
Revenues					
Sale to external customer	15,439,136,362	79,277,559	55,465,803	83,418,279	15,657,298,003
Intersegment sales	4,451,344	6,553,177	144,248,732	-	155,253,253
Total revenues	15,443,587,706	85,830,736	199,714,535	83,418,279	15,812,551,256
COSTS AND EXPENSES					
Costs of sales and services excluding depreciation and amortization	7,791,695,231	-	24,274,537	32,688,802	7,848,658,570
Operating expenses excluding depreciation and amortization	2,210,563,101	9,081,245	2,803,398	60,496,434	2,282,944,178
Depreciation and amortization	73,939,300	84,637,886	46,111	12,003,365	170,626,662
Impairment loss	-	-	1,208,773	646,782	1,855,555
Total costs and expenses	10,076,197,632	93,719,131	28,332,819	105,835,383	10,304,084,965
FINANCE COST (INCOME)					
Interest expense on:					
Loans	1,134,046,607	1,963,756	-	-	1,136,010,363
Bonds	15,444,620	-	-	-	15,444,620
Lease liabilities	75,629,879	-	-	-	75,629,879
Interest income on banks	(14,413,904)	(107,185)	(10,166)	(133,624)	(14,664,879)
Total finance cost (income)	1,210,707,202	1,856,571	(10,166)	(133,624)	1,212,419,983
SEGMENT PROFIT (LOSS) BEFORE TAX	4,156,682,872	(9,744,966)	171,391,882	(22,283,480)	4,296,046,308

The segments are further analyzed based on their geographical location as shown in Note 18.1.

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

4.6 Reconciliation

Following is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Revenues			
Total segment revenues	19,742,510,989	19,008,875,169	15,812,551,256
Elimination of intersegment revenues	(217,167,600)	(190,461,801)	(155,253,253)
Revenues as reported in profit or loss	19,525,343,389	18,818,413,368	15,657,298,003
Profit or loss			
Segment profit before tax	5,020,640,727	5,481,982,138	4,296,046,308
Other operating income	452,169,850	410,779,779	202,542,753
Adjustments for intersegment accounts	(217,018,757)	(193,532,942)	(95,180,508)
Share in net loss in associates	(2,879,180)	(12,570,144)	(9,505,354)
Other losses - net	(25,133,336)	(3,809,681)	(8,077,498)
Profit before tax as reported in profit or loss	5,227,779,304	5,682,849,150	4,385,825,701

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u> (As Restated – see Note 2)
Assets		
Segment assets	121,207,235,618	110,810,337,094
Non-current assets held for sale	237,832,347	-
Elimination of intercompany accounts	<u>(12,442,543,123)</u>	<u>(10,362,262,775)</u>
Total assets as reported in the consolidated statements of financial position	<u>109,002,524,842</u>	<u>100,448,074,319</u>
Liabilities		
Segment liabilities	74,589,196,375	73,194,519,348
Deferred tax liabilities	5,752,987,226	5,023,279,337
Elimination of intercompany accounts	<u>(1,645,778,164)</u>	<u>(1,222,835,443)</u>
Total liabilities as reported in the consolidated statements of financial position	<u>78,696,405,437</u>	<u>76,994,963,242</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at December 31:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cash on hand	5,803,968	4,365,735
Cash in banks	1,351,646,121	864,263,028
Short-term placements	<u>225,788,906</u>	<u>45,212,443</u>
	<u>1,583,238,995</u>	<u>913,841,206</u>

Cash in banks (savings and demand deposits) generally earn interest based on daily bank deposit rates. Short-term placements are made for varying period from 14 to 60 days and earn effective interest ranging from 1.5% to 5.6% per annum in 2024, ranging from 3.0% to 3.5% per annum in 2023, and ranging from 0.8% to 4.23% per annum in 2022.

Interest income earned from cash and cash equivalents are presented as part of Finance Income in the consolidated statements of profit or loss (see Note 23).

6. RECEIVABLES

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Contract receivables:			
Third parties		2,547,380,421	1,548,388,979
Related parties	26.2, 26.3 26.4	1,083,735,784	685,584
Receivable from contractors and suppliers		249,943,611	156,616,742
Retention receivable		228,839,768	132,973,570
Management fee receivable		151,382,428	111,340,567
Rent receivable		90,307,660	71,548,690
Advances to officers and employees		50,171,519	37,927,664
Receivable from hotel operations customers		31,563,871	8,510,578
Receivable from insurance		9,473,355	77,373,832
Other receivables		169,390,622	106,109,124
		4,612,189,039	2,251,475,330
Allowance for impairment	31.2(c)	(2,436,656)	(2,242,262)
		<u>4,609,752,383</u>	<u>2,249,233,068</u>

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	4,481,590,912	2,093,139,231
Non-current	128,161,471	156,093,837
	<u>4,609,752,383</u>	<u>2,249,233,068</u>

Buyers of real estate properties are given two to four years to complete the equity amortization, which ranges from 10% to 30% of the contract price of the real estate being purchased. Contract receivables, which are all covered by postdated checks, are only recognized when the collection of total transaction price is reasonably assured and the corresponding revenue is recognized. Generally, full payment by buyers of their equity amortization is followed by full settlement by the buyer's chosen financing institution of the buyer's account within 12 months. Title to real estate properties are transferred to the buyers once full payment has been made. Hence, contract receivables are fully secured by the real properties acquired by buyers.

Long-term contract receivables, which are noninterest-bearing, are receivables from buyers whose equity payments are expected to be fully paid after 12 months following the end of the reporting period. These are measured at amortized cost, which is determined by discounting future cash flows using the applicable rates of similar types of instruments. The aggregate unamortized discount on noninterest-bearing contract receivables amounts to P7,975,990 and P5,309,083 as at December 31, 2024 and 2023, respectively.

The Parent Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to P2,666,907, P3,751,672 and P257,332, and is presented as part of Finance Costs in the 2024, 2023 and 2022 consolidated statements of profit or loss, respectively (see Note 22).

Retention receivable represents amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A to pay off their obligations to the Group.

Advances to officers and employees are composed of advances intended for the Group's operations and are subject to liquidation.

Receivable from insurance pertains to outstanding claims filed with various insurance companies in relation to damages incurred to the insured properties of the Group.

The Group assesses an ECL when the receivables from contract with customers and other counterparties are initially recognized and updates the assessment at each reporting date based on the analysis determined by management. A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	2,242,262	1,809,469
Impairment losses	566,025	432,793
Write-off	<u>(371,631)</u>	<u>-</u>
Balance at end of year	<u><u>2,436,656</u></u>	<u><u>2,242,262</u></u>

7. REAL ESTATE INVENTORIES

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u> (As Restated – see Note 2)
Condominium units		705,579,267	400,467,121
Subdivision units		<u>33,349,096</u>	<u>470,257,538</u>
		<u>738,928,363</u>	<u>870,724,659</u>
Construction-in-progress (CIP):			
Land development costs		6,621,084,590	9,578,671,537
Condominium building costs		3,141,894,900	4,200,650,987
Housing costs		<u>1,723,334,448</u>	<u>1,627,403,712</u>
		<u>11,486,313,938</u>	<u>15,406,726,236</u>
Raw land inventory	8	<u>854,851,112</u>	<u>777,830,756</u>
		<u>13,080,093,413</u>	<u>17,055,281,651</u>

An analysis of the cost of real estate inventory included in cost of sales is presented in Note 19.

Land development costs pertain to the cost of land acquisition, and site development costs of horizontal projects and other future site projects of the Group.

Condominium building costs consist of the cost of land and the cost to construct the units of the vertical projects of the Group. Housing costs pertain to the cost of house construction for the horizontal projects of the Group.

Raw land inventory consists of parcels of land owned by the Group in various locations. These are expected to be developed into saleable condominium or subdivision units.

In 2024 and 2023, the Group reclassified certain investment properties to real estate inventories (see Note 13). In 2023, the Group reclassified certain real estate inventories to property and equipment (see Note 11).

In 2023, the Group reclassified deposits on land for future development to raw land inventory, i.e., applied as part of the payment for the land acquisitions that were consummated during the reporting period (see Note 8). There was no similar transaction in 2024.

As at December 31, 2024 and 2023, real estate inventories totaling to P8,603,226,955 and P7,794,550,414, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 15.1).

Based on management's assessment, there is no allowance for inventory write-down required to be recognized in 2024, 2023, and 2022; hence, inventories are recorded at cost as at December 31, 2024 and 2023.

8. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

Deposits on land for future development pertains to advance payments for acquisitions of certain parcels of land which are intended for future development into saleable real estate projects. A reconciliation of the deposits on land for future development is presented below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		15,000,000	129,996,729
Transferred to raw land inventory	7	(15,000,000)	(464,499,188)
Additions		-	349,502,459
Balance at end of year		<u>-</u>	<u>15,000,000</u>

The deposits on land for future development is presented as current assets in the 2023 consolidated statement of financial position.

9. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Advances to subcontractors		2,584,276,483	1,979,370,709
Input VAT and deferred input VAT		1,603,401,411	1,555,489,960
Deferred commissions	18.2	1,457,932,918	1,645,513,898
Prepaid taxes		680,803,508	454,631,300
Advances to suppliers		581,094,314	537,191,493
Short-term investments		344,058,432	200,838,362
Prepaid expenses		94,807,103	51,509,612
Others		15,037,722	9,621,327
		<u>7,361,411,891</u>	<u>6,434,166,661</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of subdivision and condominium units for sale. These are applied against the progress billings of subcontractors and are classified as current assets as it is related to projects for sale.

Short-term investments pertain to escrow funds that are required to be set up in relation to the Group's compliance with the regulatory requirements for issuance of license to sell, and are restricted for use in the Group's operations. The escrow funds is significantly comprised of investments in treasury bills with maturity dates of up to 12 months, earning effective interest ranging from 5.0% to 6.5% and 3.5% to 6.5% per annum in 2024 and 2023, respectively. This is presented as part of Interest income on banks under Finance Income in the consolidated statements of profit or loss (see Note 23).

Prepaid expenses include advance payment for insurance and rent.

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

10.1 Breakdown of Carrying Amounts

A reconciliation of the carrying amounts of investments in associates at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	142,489,432	133,559,576
Additional investments	10,000,000	21,500,000
Share in net gain (loss) during the year	16,607	(12,570,144)
Balance at end of year	<u>152,506,039</u>	<u>142,489,432</u>

A reconciliation of the carrying amount of investment in a joint venture (CLI NUD) in 2024 is shown below.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>
Initial investments		873,107,116
Reclassification to NCAHFS	10.3	(237,832,347)
Share in net loss during the year		<u>(2,895,787)</u>
Balance at end of year		<u>632,378,982</u>

As of December 31, 2024, the Company has total commitment to contribute capital to the joint venture amounting to P3,847,604,762, of which P873,107,116 has been paid.

The Group has no contingent liabilities related to the joint venture, nor has it assessed the probability of loss arising from contingent liabilities as remote.

An analysis of the carrying amount of the Parent Company's investments in associates and a joint venture as at December 31, 2024 and 2023 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	<u>Associates</u>		<u>Join Venture</u>		<u>Total</u>
	<u>IGCC</u>	<u>Magspeak</u>	<u>ICOM</u>	<u>CLI NUD</u>	
December 31, 2024					
Cost					
Balance at beginning of year	8,500,000	30,735,096	130,300,934	-	169,536,030
Additional investments	-	-	10,000,000	873,107,116	883,107,116
Reclassification to NCAHFS	-	-	-	(237,832,347)	(237,832,347)
Balance at end of year	<u>8,500,000</u>	<u>30,735,096</u>	<u>140,300,934</u>	<u>635,274,769</u>	<u>814,810,799</u>
Accumulated equity in net losses					
Balance at beginning of year	-	(3,820,692)	(23,225,906)	-	(27,046,598)
Equity in net gains (losses) during the year	(1,231,930)	(697,140)	1,945,677	(2,895,787)	(2,879,180)
Balance at end of year	<u>(1,231,930)</u>	<u>(4,517,832)</u>	<u>(21,280,229)</u>	<u>(2,895,787)</u>	<u>(29,925,778)</u>
Carrying Amount	<u>7,268,070</u>	<u>26,217,264</u>	<u>119,020,705</u>	<u>632,378,982</u>	<u>784,885,021</u>
December 31, 2023					
Cost					
Balance at beginning of year	-	25,735,096	122,300,934	-	148,036,030
Additional investments	8,500,000	5,000,000	8,000,000	-	21,500,000
Balance at end of year	<u>8,500,000</u>	<u>30,735,096</u>	<u>130,300,934</u>	<u>-</u>	<u>169,536,030</u>
Accumulated equity in net losses					
Balance at beginning of year	-	(2,838,295)	(11,638,159)	-	(14,476,454)
Equity in net losses during the year	-	(982,394)	(11,587,750)	-	(12,570,144)
Balance at end of year	<u>-</u>	<u>(3,820,689)</u>	<u>(23,225,909)</u>	<u>-</u>	<u>(27,046,598)</u>
Carrying Amount	<u>8,500,000</u>	<u>26,914,407</u>	<u>107,075,025</u>	<u>-</u>	<u>142,489,432</u>

10.2 Summarized Financial Information

The aggregated amounts of assets, liabilities and equity are as follows:

<i>(Amounts in PHP)</i>	<u>Current Assets</u>	<u>Non-current Assets</u>	<u>Current Liabilities</u>	<u>Non-current Liabilities</u>	<u>Equity</u>
December 31, 2024					
Associates:					
Magspeak	18,230,592	87,521,716	1,063,085	-	104,689,224
ICOM	38,542,335	279,444,615	53,931,217	-	264,055,733
IGCC	17,101,340	-	-	-	17,101,340
Joint Venture –					
CLI NUD	2,434,325,618	-	252,391,309	-	2,181,934,309
	<u>2,508,199,885</u>	<u>366,966,331</u>	<u>307,385,611</u>	<u>-</u>	<u>2,567,780,606</u>
December 31, 2023					
Magspeak	18,071,989	86,274,189	2,287,827	1,830,565	100,227,786
ICOM	33,763,138	292,523,319	3,138,099	87,942,100	235,206,258
IGCC	8,500,000	-	-	-	8,500,000
	<u>60,335,127</u>	<u>378,797,508</u>	<u>5,425,926</u>	<u>89,772,665</u>	<u>343,934,044</u>

The aggregated amounts of revenues, net loss, other comprehensive loss are as follows:

<i>(Amounts in PHP)</i>	<u>Revenues</u>	<u>Net Loss</u>	<u>Other Comprehensive Income</u>	<u>Total Comprehensive loss</u>
2024				
Associates:				
Magspeak	-	(2,788,562)	-	(2,788,562)
ICOM	13,251,669	(19,465,017)	-	(19,465,017)
IGCC	-	(2,901,669)	-	(2,901,669)
Joint Venture –				
CLI NUD	-	(9,652,627)	-	(9,652,627)
2023				
Magspeak	-	(3,929,611)	-	(3,929,611)
ICOM	12,452,209	(32,839,961)	-	(20,387,752)
IGCC	-	-	-	-
2022				
Magspeak	-	(4,934,527)	-	(4,934,527)
ICOM	14,448,415	(24,360,430)	-	(9,912,015)

The reconciliation of the summarized financial information to the carrying amount of the interest in associates are as follows:

<i>(Amounts in PHP)</i>	<u>Associates</u>			<u>Join Venture</u>	<u>Total</u>
	<u>IGCC</u>	<u>Magspeak</u>	<u>ICOM</u>	<u>CLI NUD</u>	
2024					
Net assets at end of year	17,101,340	104,689,224	264,055,733	2,181,934,309	
Proportion of equity interest by the Parent Company	43%	25%	33%	30%	
Parent Company's share in the net assets of the Associates	7,268,070	26,217,264	87,930,559	632,378,982	
Other stockholders' unpaid subscription	-	-	31,090,146	-	
Carrying amount of investment	<u>7,268,070</u>	<u>26,217,264</u>	<u>119,020,705</u>	<u>632,378,982</u>	<u>784,885,021</u>
2023					
Net assets at end of year	8,500,000	100,227,786	235,206,258	-	
Proportion of equity interest by the Parent Company	43%	25%	33%	-	
Parent Company's share in the net assets of the Associates	3,655,000	25,056,947	77,618,065	-	
Other stockholders' unpaid subscription	4,845,000	1,857,460	29,456,960	-	
Carrying amount of investment	<u>8,500,000</u>	<u>26,914,407</u>	<u>107,075,025</u>	<u>-</u>	<u>142,489,432</u>

The shares in net losses of associates totaling P6,488,717, P12,570,144, and P9,505,354 were recognized in 2024, 2023 and 2022, respectively, in the consolidated statements of profit or loss.

There were no dividends received from the Group's associates and joint venture in 2024, 2023 and 2022.

10.3 Non-current Asset Held for Sale

On November 21, 2024, the BOD approved the Parent Company's intent to sell its 30% shares in CLI NUD to ABS to share the risks and significant capital commitment involved in the joint venture, as permitted under the joint arrangement. The sale of shares is expected to be completed in the third quarter of 2025 at the original subscription price.

As a result, the management assessed that the 30% interest in CLI NUD would be recovered through a sale transaction rather than continuing use; hence, was accounted for in accordance with PFRS 5. The carrying amount of the investment amounting to P237,832,347, which is lower than its fair value less cost to sell, was presented as Non-current Asset Held for Sale in the 2024 consolidated statement of financial position and was presented under the Real Estate segment in Note 4.5. The Group did not recognize any losses in relation to this transaction in 2024.

11. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Parking Units</u>	<u>Operating Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
December 31, 2024								
Cost	359,058,133	587,072,012	139,391,197	72,666,172	50,423,434	16,842,695	8,297,124,208	9,522,577,851
Accumulated depreciation and amortization	-	(166,872,520)	(87,424,493)	(50,595,646)	(38,794,942)	(13,537,852)	-	(357,225,453)
Net carrying amount	<u>359,058,133</u>	<u>420,199,492</u>	<u>51,966,704</u>	<u>22,070,526</u>	<u>11,628,492</u>	<u>3,304,843</u>	<u>8,297,124,208</u>	<u>9,165,352,398</u>
December 31, 2023								
Cost	359,058,133	512,706,244	125,131,130	60,827,521	50,499,782	14,587,797	6,420,474,335	7,543,284,942
Accumulated depreciation and amortization	-	(142,131,917)	(69,747,528)	(47,766,743)	(33,152,170)	(8,590,912)	-	(301,389,270)
Net carrying amount	<u>359,058,133</u>	<u>370,574,327</u>	<u>55,383,602</u>	<u>13,060,778</u>	<u>17,347,612</u>	<u>5,996,885</u>	<u>6,420,474,335</u>	<u>7,241,895,672</u>
December 31, 2022								
Cost	359,058,133	401,375,877	111,382,859	57,015,172	40,459,135	14,547,842	4,077,078,853	5,060,917,871
Accumulated depreciation and amortization	-	(117,269,272)	(53,078,326)	(42,285,966)	(27,932,433)	(6,619,424)	-	(247,185,421)
Net carrying amount	<u>359,058,133</u>	<u>284,106,605</u>	<u>58,304,533</u>	<u>14,729,206</u>	<u>12,526,702</u>	<u>7,928,418</u>	<u>4,077,078,853</u>	<u>4,813,732,450</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024, 2023 and 2022 is as follows:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Building and Parking Units</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2024 net of accumulated depreciation and amortization	359,058,133	370,574,327	55,383,602	13,060,778	17,347,612	5,996,885	6,420,474,335	7,241,895,672
Additions	-	39,961,382	13,907,311	16,872,820	784,664	-	1,910,794,440	1,982,320,617
Reclassifications	-	36,680,110	807,220	334	(829,996)	-	(34,144,567)	2,513,101
Disposals	-	-	(26,008)	(1,345,690)	-	-	-	(1,371,698)
Depreciation and amortization for the year	-	(27,016,327)	(18,105,421)	(6,517,716)	(5,673,788)	(2,692,042)	-	(60,005,294)
Balance at December 31, 2024 net of accumulated depreciation and amortization	<u>359,058,133</u>	<u>420,199,492</u>	<u>51,966,704</u>	<u>22,070,526</u>	<u>11,628,492</u>	<u>3,304,843</u>	<u>8,297,124,208</u>	<u>9,165,352,398</u>
Balance at January 1, 2023 net of accumulated depreciation and amortization	359,058,133	284,106,605	58,304,533	14,729,206	12,526,702	7,928,418	4,077,078,853	4,813,732,450
Additions	-	97,747,164	13,857,110	4,359,670	10,040,647	39,955	2,343,395,482	2,469,440,028
Reclassifications	-	13,583,203	-	-	-	-	-	13,583,203
Disposals	-	-	(33,884)	(547,321)	-	-	-	(581,205)
Depreciation and amortization for the year	-	(24,862,645)	(16,744,157)	(5,480,777)	(5,219,737)	(1,971,488)	-	(54,278,804)
Balance at December 31, 2023 net of accumulated depreciation and amortization	<u>359,058,133</u>	<u>370,574,327</u>	<u>55,383,602</u>	<u>13,060,778</u>	<u>17,347,612</u>	<u>5,996,885</u>	<u>6,420,474,335</u>	<u>7,241,895,672</u>
Balance at January 1, 2022 net of accumulated depreciation and amortization	140,896,820	211,174,827	50,934,510	20,149,810	12,952,967	7,755,750	471,807,019	915,671,703
Additions	218,161,313	55,888,147	19,701,024	1,604,275	3,727,247	2,033,115	2,336,303,706	2,637,418,827
Disposal	-	-	(56,627)	(858,046)	-	-	-	(914,673)
Reclassification	-	32,066,847	-	-	-	-	1,268,968,128	1,301,034,975
Depreciation and amortization for the year	-	(15,023,216)	(12,274,374)	(6,166,833)	(4,153,512)	(1,860,447)	-	(39,478,382)
Balance at December 31, 2022 net of accumulated depreciation and amortization	<u>359,058,133</u>	<u>284,106,605</u>	<u>58,304,533</u>	<u>14,729,206</u>	<u>12,526,702</u>	<u>7,928,418</u>	<u>4,077,078,853</u>	<u>4,813,732,450</u>

Construction in progress pertains to costs incurred by the Group, including applicable borrowing costs, in relation to its ongoing development of its hotels and resorts which are expected to be completed on dates ranging from 2025 to 2027. These assets are not depreciated until such time they are completed and available for use.

Depreciation and amortization expense on property and equipment is presented as part of Operating Expenses in the consolidated statements of profit of loss (see Note 20).

The Group reclassified real estate inventory and investment property to Building with carrying amount of P2,200,601 and P312,500, respectively in 2024, and P13,080,557 and P502,646, respectively, in 2023. These properties are currently being used as staff houses for the Group's employees.

Borrowing costs that are capitalized as part of property and equipment amounted to P814,000,895 and P572,141,966 in 2024 and 2023, respectively, which represents the allocated costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 15). The capitalization rate used for the borrowings ranges from 5.50% to 9.50% and from 5.00% to 9.25% in 2024 and 2023, respectively.

Certain land, building, office equipment, furniture and fixtures and construction in progress with an aggregate carrying amount of P8,192,601,799 and P6,404,580,614 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans of the Group (see Note 15.1).

As at December 31, 2024 and 2023, the cost of the Group's fully-depreciated property and equipment that are still used in operations amounted to P128,005,577 and P119,631,379, respectively.

12. LEASES

The Group entered into lease contracts, as lessee, for leases of land and office spaces. With the exception of short-term leases and leases of low-value underlying assets, each lease is presented in the consolidated statements of financial position as Right-of-use Assets and the corresponding obligation, as Lease Liabilities. Variable lease payments, which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term.

Under the lease contracts, the Group is prohibited from selling or pledging the underlying leased assets as security. For the lease of an office space, the Group must keep the related property in a good state of repair and return the property in good state at the end of the lease. For the lease on the land, the Group must insure all the improvements made on the property.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the 2024 and 2023 consolidated statement of financial position.

	Number of right-of-use assets leased	Lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
December 31, 2024					
Land	4	19 to 36 years	-	-	-
Office space	2	2 years	1	-	1
December 31, 2023					
Land	4	20 to 37 years	-	-	-
Office space	2	2 to 4 years	1	-	1

12.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at December 31, 2024 and 2023 and the movements during the year are shown as follows:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Office Space</u>	<u>Total</u>
2024			
Cost			
Balance at beginning of year	1,263,032,633	15,877,921	1,278,910,554
Additions	5,176,039	-	5,176,039
Balance at end of year	<u>1,268,208,672</u>	<u>15,877,921</u>	<u>1,284,086,593</u>
Accumulated amortization			
Balance at beginning of year	137,528,364	11,776,783	149,305,147
Amortization for the year	37,469,101	2,809,188	40,278,289
Balance at end of year	<u>174,997,465</u>	<u>14,585,971</u>	<u>189,583,436</u>
Carrying amount at December 31	<u>1,093,211,207</u>	<u>1,291,950</u>	<u>1,094,503,157</u>
2023			
Cost			
Balance at beginning of year	1,262,756,727	15,877,921	1,278,634,648
Amendment of lease contract	275,906	-	275,906
Balance at end of year	<u>1,263,032,633</u>	<u>15,877,921</u>	<u>1,278,910,554</u>
Accumulated amortization			
Balance at beginning of year	102,160,939	8,424,304	110,585,243
Amortization for the year	35,367,425	3,352,479	38,719,904
Balance at end of year	<u>137,528,364</u>	<u>11,776,783</u>	<u>149,305,147</u>
Carrying amount at December 31	<u>1,125,504,269</u>	<u>4,101,138</u>	<u>1,129,605,407</u>

12.2 Lease Liabilities

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	57,922,896	55,717,884
Non-current	<u>1,233,425,726</u>	<u>1,207,138,171</u>
	<u>1,291,348,622</u>	<u>1,262,856,055</u>

The Group is fully liable for the rentals on the remaining term of the lease of office space, including any interest, penalties, utility charges and damages for termination prior to expiration of the contract. The contracts of lease on land does not provide for any future lease termination and extension options.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Gross payments		
Within one year	57,922,896	55,717,884
From one to two years	70,800,153	57,294,654
From two to three years	72,544,815	70,139,485
From three to four years	74,282,070	72,023,308
From four to five years	76,344,330	74,496,654
More than five years	<u>3,476,206,634</u>	<u>3,548,425,975</u>
	<u>3,828,100,898</u>	<u>3,878,097,960</u>
Total finance charges	<u>(2,536,752,276)</u>	<u>(2,615,241,905)</u>
Net present value	<u>1,291,348,622</u>	<u>1,262,856,055</u>

12.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to short-term leases and low-value assets is presented as Rent under Operating Expenses in the consolidated statements of profit or loss (see Note 20).

12.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P53,505,133, P54,646,634 and P17,574,742 in 2024, 2023 and 2022, respectively (see Note 34). The interest expense in relation to the lease liabilities are presented as part of Interest expense on lease liabilities under Finance Costs in the consolidated statement of profit or loss (see Note 22).

13. INVESTMENT PROPERTIES

The Group's investment properties include parcels of land held for development of properties, condominium units and retail building for lease. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>Retail Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Land</u>	<u>Constructions in Progress</u>	<u>Total</u>
December 31, 2024						
Costs	1,345,643,285	912,472,958	119,341,334	2,848,655,534	14,610,241,391	19,836,354,502
Accumulated depreciation	<u>(183,362,002)</u>	<u>(184,792,801)</u>	<u>(23,202,616)</u>	-	-	<u>(391,357,419)</u>
Carrying amount	<u>1,162,281,283</u>	<u>727,680,157</u>	<u>96,138,718</u>	<u>2,848,655,534</u>	<u>14,610,241,391</u>	<u>19,444,997,083</u>
December 31, 2023						
Costs	1,353,024,478	912,472,958	121,565,022	2,682,185,384	13,589,390,602	18,658,638,444
Accumulated depreciation	<u>(147,637,420)</u>	<u>(157,211,650)</u>	<u>(19,774,721)</u>	-	-	<u>(324,623,791)</u>
Carrying amount	<u>1,205,387,058</u>	<u>755,261,308</u>	<u>101,790,301</u>	<u>2,682,185,384</u>	<u>13,589,390,602</u>	<u>18,334,014,653</u>
December 31, 2022						
Costs	1,312,033,280	910,086,051	122,067,668	2,682,185,384	12,961,598,553	17,987,970,936
Accumulated depreciation	<u>(98,114,489)</u>	<u>(126,885,260)</u>	<u>(13,673,654)</u>	-	-	<u>(238,673,403)</u>
Carrying amount	<u>1,213,918,791</u>	<u>783,200,791</u>	<u>108,394,014</u>	<u>2,682,185,384</u>	<u>12,961,598,553</u>	<u>17,749,297,533</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of years 2024, 2023 and 2022 is as follows:

<i>(Amounts in PHP)</i>	Retail Building	Condominium Units	Parking Units	Land	Constructions in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation	1,205,387,058	755,261,308	101,790,301	2,682,185,384	13,589,390,602	18,334,014,653
Additions	-	-	-	166,470,150	2,306,461,487	2,472,931,637
Reclassifications of completed projects	(6,525,624)	-	(1,948,652)	-	(1,285,610,698)	(1,294,084,974)
Reclassifications to other accounts	-	-	-	-	-	-
Depreciation during the year	<u>(36,580,151)</u>	<u>(27,581,151)</u>	<u>(3,702,931)</u>	<u>-</u>	<u>-</u>	<u>(67,864,233)</u>
Balance at December 31, 2024, net of accumulated depreciation	<u>1,162,281,283</u>	<u>727,680,157</u>	<u>96,138,718</u>	<u>2,848,655,534</u>	<u>14,610,241,391</u>	<u>19,444,997,083</u>
Balance at January 1, 2023, net of accumulated depreciation	1,213,918,791	783,200,791	108,394,014	2,682,185,384	12,961,598,553	17,749,297,533
Additions	-	-	-	-	1,891,405,985	1,891,405,985
Reclassifications of completed projects	40,991,198	2,386,907	-	-	(43,378,105)	-
Reclassifications to other accounts	-	-	(502,646)	-	(1,220,235,831)	(1,220,738,477)
Depreciation during the year	<u>(49,522,931)</u>	<u>(30,326,390)</u>	<u>(6,101,067)</u>	<u>-</u>	<u>-</u>	<u>(85,950,388)</u>
Balance at December 31, 2023, net of accumulated depreciation	<u>1,205,387,058</u>	<u>755,261,308</u>	<u>101,790,301</u>	<u>2,682,185,384</u>	<u>13,589,390,602</u>	<u>18,334,014,653</u>
Balance at January 1, 2022, net of accumulated depreciation	727,535,091	730,881,921	25,466,758	5,449,949,151	6,306,290,741	13,240,123,662
Additions	250,000	1,535,704	-	-	6,622,774,985	6,624,560,689
Reclassifications	534,937,306	80,514,016	89,030,687	(2,767,763,767)	32,532,827	(2,030,748,931)
Depreciation during the year	<u>(48,803,606)</u>	<u>(29,730,850)</u>	<u>(6,103,431)</u>	<u>-</u>	<u>-</u>	<u>(84,637,887)</u>
Balance at December 31, 2022, net of accumulated depreciation	<u>1,213,918,791</u>	<u>783,200,791</u>	<u>108,394,014</u>	<u>2,682,185,384</u>	<u>12,961,598,553</u>	<u>17,749,297,533</u>

In 2024, the Group reclassified certain investment properties with aggregate carrying amount of P1,291,548,786 to real estate inventories (see Note 7) and P2,536,188 to property and equipment (see Note 11). In 2023, the Group reclassified certain investment properties with aggregate carrying amount of P1,220,235,831 to real estate inventories (see Note 7) and P502,646 to property and equipment (see Note 11). Reclassifications to real estate inventories were made as a result of the change in the use of the properties from being held for lease to being held for sale. The changes are evidenced by modifications in business and development plans, securing necessary government permits, commencement of marketing activities to sell the properties, and obtaining reservations from customers. On the other hand, for properties reclassified to property and equipment, the Group determined that these assets were no longer intended to be leased. Instead, they are now designated for use in the Group's operations, as evidenced by their integration into the Group's business plans and operational activities.

Borrowing costs that are capitalized as part of investment property amounted to P764,496,562 and P344,938,772 in 2024 and 2023, respectively, which represents the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 15). The capitalization rate used for the borrowings ranges from 5.5% to 9.5% and 4.0% to 8.0% for the years ended December 31, 2024 and 2023, respectively. Income and expenses from investment properties in 2024, 2023 and 2022 are presented below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Rental income:	18.1			
Retail building		115,470,199	93,550,383	68,094,916
Condominium units		41,014,666	12,631,070	9,789,476
Parking units		5,195,669	2,257,520	1,287,074
Others		731,659	3,904,883	106,093
		<u>162,412,193</u>	<u>112,343,856</u>	<u>79,277,559</u>
Cost on rental services:	19			
Depreciation		67,864,233	85,950,388	84,637,887
Others		<u>-</u>	<u>771,352</u>	<u>-</u>
		<u>67,864,233</u>	<u>86,721,740</u>	<u>84,637,887</u>

The depreciation and other expenses are included as part of Cost of Sales and Services in the consolidated statements of profit or loss in 2024, 2023 and 2022 (see Note 19). Investment properties have a total fair value of P22,139,376,787 and P18,422,843,422 as at December 31, 2024 and 2023, respectively, based on the appraisal done by an independent expert [see Note 32.3(c)]. On the basis primarily of the foregoing valuations, management has assessed that no impairment loss is required to be provided on the Group's investment properties as at December 31, 2024 and 2023 [see also Note 3.2(g)].

Investment properties with a total carrying amount of P8,953,443,666 and P7,160,910,550 as at December 31, 2024 and 2023, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 15.1).

14. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	Note	<u>2024</u>	<u>2023</u>
Deferred commissions	18.2	1,443,535,690	1,046,459,553
Advances to subcontractors		521,781,528	550,104,738
Refundable deposits		162,843,330	152,741,454
Computer software - net		21,390,595	25,314,992
Investment in equity securities		9,375,002	9,375,002
Deferred input VAT		-	4,624,926
Others		979,001	1,342,727
		<u>2,159,905,146</u>	<u>1,789,963,392</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of investment properties. These are applied against the progress billings of subcontractors.

Refundable deposits pertain to recoverable payments, which are expected to be realized at the termination of the contract, to lessors and various payees. These are measured at amortized cost.

The gross carrying amounts and accumulated amortization of Computer software at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cost	65,252,045	65,252,045
Accumulated amortization	(47,308,397)	(39,937,053)
Carrying amount	<u>21,390,595</u>	<u>25,314,992</u>

The total additions to computer software amounted to P3,446,947, P1,914,986 and P3,064,323 in 2024, 2023 and 2022, respectively. The amortization expense on the computer software amounted to P7,371,344, P7,962,055 and P8,831,626 in 2024, 2023 and 2022, respectively, and is presented as part of Depreciation and amortization under Operating Expenses (see Note 20).

15. INTEREST-BEARING LOANS AND BORROWINGS

The outstanding balance of interest-bearing loans and corporate notes are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Current:			
Bank loans	15.1	7,577,912,966	10,075,486,704
Corporate notes	15.2	2,537,500,000	1,491,666,667
		<u>10,115,412,966</u>	<u>11,567,153,371</u>
Non-current:			
Bank loans	15.1	27,299,331,139	20,871,648,528
Corporate notes	15.2	7,237,335,826	9,750,043,837
		<u>34,536,666,965</u>	<u>30,621,692,365</u>
		<u>44,652,079,931</u>	<u>42,188,845,736</u>

15.1 Bank Loans

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		30,947,135,232	22,727,744,834
Proceeds and drawdowns - net		17,475,143,091	12,943,572,214
Repayments		(13,652,751,069)	(4,674,289,221)
Amortization of debt issue costs		107,716,851	104,607,405
Reclassification	17	-	(154,500,000)
Balance at end of year		<u>34,877,244,105</u>	<u>30,947,135,232</u>

In 2023, the Group reclassified advances obtained from non-controlling stockholders amounting to P154,500,000 to Trade and Other Payables (see Note 17). There was no similar transaction in 2024.

A reconciliation of the unamortized debt issue cost at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	163,081,681	107,967,127
Amortization of debt issue cost	(107,716,851)	(104,607,404)
Debt issue costs from new loans	95,129,495	159,721,958
Balance at end of the year	<u>150,494,325</u>	<u>163,081,681</u>

The loans bear interest rates per annum ranging from 5.5% to 9.5%, from 5.0% to 8.0%, from 4.0% to 8.0%, in 2024, 2023, 2022, respectively. Certain loans are collateralized by the specific projects and developments and certain property and equipment for which the loans were obtained. The cost of such projects aggregating to P25,749,272,420 and P21,360,041,578 as at December 31, 2024 and 2023, respectively, are included in the Real Estate Inventories, Property and Equipment and Investment Properties accounts in the consolidated statements of financial position (see Notes 7, 11 and 13).

Per loan covenant, the Group is required to maintain the specifically defined consolidated financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Group is compliant with the requirements.

The Group's loans bear interest ranging from 5.5% to 9.5% in 2024 and from 5.0% to 8.0% in 2023.

The total interest incurred from the foregoing loans, including amortization of debt issuance cost, amounted to P2,529,622,749, P2,079,945,262 and P1,077,091,468 in 2024, 2023 and 2022, respectively, and of which P1,001,393,303, P577,853,395 and P219,997,083, respectively, were capitalized as part of construction costs of investment property and property and equipment (see Notes 11 and 13). The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 5.00% to 9.50% and from 5.00% to 8.00% in 2024 and 2023, respectively.

15.2 Corporate Notes

The Parent Company and various financial institutions executed a Notes Facility Agreement (NFA) for the issuance of long-term corporate notes (LTCN) totaling P13,000,000,000 and two short-dated notes (SDN) amounting to P2,000,000,000 and P3,000,000,000, respectively.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	11,241,710,504	12,334,545,777
Repayments	(1,491,666,667)	(1,117,559,524)
Amortization of debt issue cost	24,791,989	24,724,251
Balance at end of the year	<u>9,774,835,826</u>	<u>11,241,710,504</u>

The NFA is composed of the following tranches:

<i>(Amounts in PHP)</i>				
<u>NFA</u>	<u>Date Executed</u>	<u>Tranche</u>	<u>Tenor</u>	<u>Principal Amount</u>
LTCN	07/20/2018	Series A	Seven years	2,500,000,000
		Series B	Ten years	1,000,000,000
		Series C	Ten years with repricing on the interest rate re-setting date	1,500,000,000
	03/05/2020	Series D	Five years	1,300,000,000
		Series E	Seven years	5,700,000,000
		Series F	Ten years	1,000,000,000
				<u>13,000,000,000</u>
SDN	10/25/2019	SDN 1	18 months from drawdown date	2,000,000,000
	04/30/2021	SDN 2	18 months from drawdown date	3,000,000,000
				<u>5,000,000,000</u>

The Parent Company made the following drawdowns from the NFA.

(Amounts in PHP)

<u>Year</u>	<u>Tranche</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
2021	SDN 2	3.88%	November 2022	<u>3,000,000,000</u>
2020	Series D	3.46%	September 2025	1,300,000,000
	Series E	3.54% - 4.66%	April 2027	5,700,000,000
	Series F	4.23% - 5.23%	March 2030	<u>1,000,000,000</u>
				<u>8,000,000,000</u>
2019	Series A	7.25%	January 2026	2,000,000,000
	SDN 1	4.75%	April 2021	<u>2,000,000,000</u>
				<u>4,000,000,000</u>
2018	Series A	7.25%	December 2025	500,000,000
	Series B	6.63%	August - September 2028	1,000,000,000
	Series C	6.75%	October - December 2028	<u>1,500,000,000</u>
				<u>3,000,000,000</u>

In 2021 and 2020, the Parent Company recognized debt issuance costs for NFA amounting to P27,236,842 and P108,124,311, respectively, which has a carrying amount of P52,842,745 and P77,634,734 as at December 31, 2024 and 2023, respectively, in relation to the drawdowns from the NFA. The debt issuance cost amortization in 2024 and 2023 amounted to P24,791,989 and P24,724,251, respectively. The debt issuance costs are deducted from the fair value or issue price of the note.

The total interest incurred related to the NFA, including amortization of debt issuance cost, amounted to P606,939,694, P667,255,268 and P836,758,484 in 2024, 2023 and 2022, respectively, of which P369,697,770, P236,252,622 and P273,786,274 was capitalized as part of property and equipment and investment properties, respectively, and, P212,449,935 was recognized as interest expense as part of Finance Costs in 2024 (see Notes 11 and 13).

The Group is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Group is compliant with the requirements.

The total interest expense related to the above loans, which are included as part of Finance Costs in the consolidated statements of profit or loss, amounted to P1,971,427,485, P2,205,875,946 and P1,136,010,363 in 2024, 2023 and 2022, respectively (see Note 22).

The accrued interest on these loans amounts to P338,604,909 and P262,413,071 as at December 31, 2024 and 2023, respectively, and is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

16. BONDS PAYABLE

On September 23, 2022, CLI registered with the SEC its debt securities program of P15,000,000,000 fixed rate bonds, which will be offered in one or more tranches within three years.

On October 7, 2022, the Parent Company issued the first tranche of its fixed rate bonds amounting to P5,000,000,000 and was listed with the Philippine Dealing & Exchange Corp. (PDEX). The bonds have been rated “PRS Aa plus” with a stable outlook by PhilRatings and are comprised of the following tenors:

- Series A – maturity of 3.5 years and a coupon rate of 6.4222%;
- Series B – maturity of 5.5 years and a coupon rate of 6.9884%; and,
- Series C – maturity of 7 years and a coupon rate of 7.3649%.

In 2022, the Parent Company recognized bond issuance costs amounting to P73,372,369 in relation to the issuance of the first tranche of the bonds which has a carrying amount of P35,231,074 and P52,177,479 as at December 31, 2024 and 2023, respectively. In 2024 and 2023, the Parent Company capitalized a portion of the amortization of bond issuance costs amounting to P13,775,733 and P14,081,503 as part of property and equipment and investment property. No similar capitalization in 2022. The Parent Company expensed the amortization amounting to P3,170,672 and P3,158,387, in 2024 and 2023, respectively.

The total interest incurred related to the bonds, including amortization of bond issuance cost, amounted to P272,872,570 and P357,691,418 in 2024 and 2023, respectively, of which P207,406,384 and P102,974,721 was capitalized as part of property, plant and equipment and investment properties in 2024 and 2023, respectively, and P131,374,423 and P66,856,868 (see Note 22) was recognized as interest expense as part of Finance Costs in 2024 and 2023, respectively.

The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.42% to 7.36% and from 6.89% to 7.64% in 2024 and 2023, respectively.

The Parent Company is required to maintain the financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at December 31, 2024 and 2023, the Parent Company is compliant with the requirements.

17. TRADE AND OTHER PAYABLES

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

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Unbilled construction costs		10,217,417,458	12,617,790,247
Trade payables		4,528,283,824	4,517,518,729
Sales commissions payable		4,074,237,298	3,763,166,755
Retention payable		1,012,505,883	1,112,645,901
Dividends payable	27.6	339,406,706	-
Accrued expenses	15	338,604,909	262,413,071
Government-related obligations		56,138,657	85,420,412
Output VAT		49,127,314	76,190,277
Advances from non-controlling stockholders	15	-	173,844,748
Other payables		436,423,430	171,800,458
		<u>21,052,145,479</u>	<u>22,780,790,598</u>

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Retention payable	479,428,609	141,540,119
Advance rental	46,444,768	33,282,573
Other payables	14,416,002	10,597,440
	<u>540,289,379</u>	<u>185,420,132</u>

Unbilled construction costs pertain to estimated obligations to contractors for services already performed but not yet billed to the Group.

Trade payables mainly represent outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Portion of the amount retained that is not expected to be paid within 12 months from the end of the reporting period is presented as part of non-current liabilities in the consolidated statements of financial position.

Accrued expenses pertain to accruals for interest, contracted services, security services, professional fees and other recurring accruals in the Group's operations. Current portion of the other payables are mostly construction bonds from various subcontractors.

Advances from non-controlling stockholders pertains to noninterest-bearing advances of certain subsidiaries from non-controlling shareholders.

18. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

18.1 Disaggregation of Contract Revenues

The Group derives revenue from the transfer of goods and services over time and at a point in time. Presented below are revenues from its major product lines and geographical areas for the years ended December 31, 2024, 2023 and 2022.

<i>(Amounts in PHP)</i>	<u>Cebu</u>	<u>Visayas</u>	<u>Mindanao</u>	<u>Luzon</u>	<u>Total</u>
2024					
<i>Sale of real estates</i>					
Over time	5,461,915,179	3,092,722,455	5,714,844,138	855,669,206	15,125,150,978
At a point in time	<u>2,344,923,655</u>	<u>116,497,812</u>	<u>1,465,547,474</u>	<u>6,410,000</u>	<u>3,933,378,941</u>
	7,806,838,834	3,209,220,267	7,180,391,612	862,079,206	19,058,529,919
<i>Hotel operations</i>					
Over time	175,942,496	-	-	64,525,946	240,468,442
<i>Lease of properties</i>					
Over time	152,493,606	-	9,918,587	-	162,412,193
<i>Render of management services</i>					
Over time	<u>48,899,263</u>	<u>6,214,656</u>	<u>8,818,916</u>	-	<u>63,932,835</u>
	<u>8,184,174,199</u>	<u>3,215,434,923</u>	<u>7,199,129,115</u>	<u>926,605,152</u>	<u>19,525,343,389</u>
2023					
<i>Sale of real estates</i>					
Over time	7,054,772,604	4,249,501,336	2,444,419,631	544,680,899	14,293,374,470
At a point in time	<u>1,114,472,339</u>	<u>139,887,766</u>	<u>2,937,687,511</u>	<u>22,880,000</u>	<u>4,214,927,616</u>
	8,169,244,943	4,389,389,102	5,382,107,142	567,560,899	18,508,302,086
<i>Hotel operations</i>					
Over time	138,551,300	-	-	-	138,551,300
<i>Lease of properties</i>					
Over time	112,167,681	-	176,175	-	112,343,856
<i>Render of management services</i>					
Over time	<u>47,828,318</u>	-	<u>11,387,808</u>	-	<u>59,216,126</u>
	<u>8,467,792,242</u>	<u>4,389,389,102</u>	<u>5,393,671,125</u>	<u>567,560,899</u>	<u>18,818,413,368</u>
2022					
<i>Sale of real estates</i>					
Over time	5,339,637,015	4,335,738,980	5,171,981,673	7,441,250	14,854,798,918
At a point in time	<u>314,907,742</u>	<u>30,553,637</u>	<u>195,896,965</u>	<u>42,979,100</u>	<u>584,337,444</u>
	5,654,544,757	4,366,292,617	5,367,878,638	50,420,350	15,439,136,362
<i>Hotel operations</i>					
Over time	83,418,279	-	-	-	83,418,279
<i>Lease of properties</i>					
Over time	79,277,559	-	-	-	79,277,559
<i>Render of management services</i>					
Over time	<u>46,653,575</u>	<u>135,000</u>	<u>8,677,228</u>	-	<u>55,465,803</u>
	<u>5,863,894,170</u>	<u>4,366,427,617</u>	<u>5,376,555,866</u>	<u>50,420,350</u>	<u>15,657,298,003</u>

The Group's contract assets as at December 31, 2024 and 2023 are presented in the consolidated statements of the financial position as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Current	<u>20,843,159,851</u>	26,225,182,718
Non-current	<u>28,583,967,809</u>	<u>18,868,803,692</u>
Contract assets - net	<u>49,427,127,660</u>	<u>45,093,986,410</u>

A reconciliation of the opening and closing balance of Contract Assets is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	45,093,986,410	31,979,063,534
Performance of property development	13,385,602,441	16,896,131,025
Collections	(6,227,744,009)	(4,957,663,757)
Transfers to contract receivables	(4,126,136,303)	-
Accretion of interest income	1,301,419,121	1,176,455,608
Balance at end of year	<u>49,427,127,660</u>	<u>45,093,986,410</u>

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Its classification and presentation in the consolidated statements of financial position is based on the Group's estimate of project completion, hence, any change in estimated completion period affects transfers to contracts receivables.

The Group assesses an ECL when the contract assets are initially recognized and updates the assessment at each reporting date based on the analysis determined by management [see Note 31.2(c)].

A reconciliation of the opening and closing balance of Contract Liabilities is shown in below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	449,338,207	598,361,867
Revenue recognized that was included in contract liability at the beginning of year	(189,517,602)	(435,715,453)
Increase due to cash received excluding amount recognized as revenue during the year	36,444,509	286,691,793
Balance at end of year	<u>296,265,114</u>	<u>449,338,207</u>

Contract liabilities pertains to collections from buyers that are ahead of the stage of completion of the real estate units sold. Changes in the contract assets and contract liabilities are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation, respectively.

Collections from buyers on sale of real estate units where the gating criteria for recognition of sales contract have yet to be met are accounted for and presented as Customers' Deposits in the consolidated statements of financial position. The balance of Customers' Deposits amounted to P90,223,203 and P144,003,765 as at December 31, 2024 and 2023, respectively.

18.2 Direct Contract Cost

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets, and Other Non-current Assets accounts in the consolidated statements of financial position (see Notes 9 and 14). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as Commission under Operating Expenses (see Note 20).

The Group's deferred commission are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Current	9	1,457,932,918	1,645,513,898
Non-current	14	1,443,535,690	1,046,459,553
		<u>2,901,468,608</u>	<u>2,691,973,451</u>

The movement in balances of deferred commission in 2024 and 2023 is presented below (see Note 9 and 14):

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year		2,691,973,451	1,212,239,383
Additional capitalized cost		1,331,190,977	2,578,147,297
Amortization for the year	20	<u>(1,121,695,820)</u>	<u>(1,098,413,229)</u>
Balance at end of year		<u>2,901,468,608</u>	<u>2,691,973,451</u>

18.3 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2024 and 2023 is P26,904,964,306 and P26,831,730,439, respectively. As of December 31, 2024 and 2023, the Group expects to recognize revenue from unsatisfied contracts as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within a year	19,493,708,111	16,468,635,728
More than one year to three years	<u>7,411,256,195</u>	<u>10,363,094,711</u>
	<u>26,904,964,306</u>	<u>26,831,730,439</u>

19. COST OF SALES AND SERVICES

Components of costs of sales and services are analyzed below (see Note 20).

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	2023 (As Restated - see Note 2)	2022 (As Restated - see Note 2)
Cost of real estate sales:				
Contracted services	20	6,258,740,881	6,721,682,679	6,508,679,207
Land	20	2,269,730,049	1,197,636,227	1,126,978,391
Other costs		556,586,714	310,747,305	95,620,574
		<u>9,085,057,644</u>	<u>8,230,066,211</u>	<u>7,731,278,172</u>
Cost of rental services:				
Depreciation		67,864,233	85,950,388	84,637,887
Others		-	771,352	-
	13	<u>67,864,233</u>	<u>86,721,740</u>	<u>84,637,887</u>
Cost of management services:				
Salaries and wages		43,189,532	31,404,255	24,220,828
Materials and supplies		-	250	53,709
		<u>43,189,532</u>	<u>31,404,505</u>	<u>24,274,537</u>
Cost of hotel operations:				
Salaries and wages		51,845,264	13,621,634	11,235,316
Materials and supplies		43,546,936	17,448,513	9,293,657
Utilities		23,083,633	6,836,731	4,454,328
Others		41,641,139	16,700,580	7,705,501
		<u>160,116,972</u>	<u>54,607,458</u>	<u>32,688,802</u>
		<u>9,356,228,381</u>	<u>8,402,799,914</u>	<u>7,872,879,398</u>

20. COSTS AND EXPENSES BY NATURE

Details of costs and expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
Contracted services	19	6,258,740,881	6,721,682,679	6,508,679,207
Land	19	2,269,730,049	1,197,636,227	1,126,978,391
Commissions	9, 18.2	1,121,695,820	1,098,413,229	847,167,494
Salaries and employee benefits	24.1	728,891,852	640,179,561	540,416,163
Taxes and licenses		733,549,816	246,525,634	323,092,809
Depreciation and amortization	11, 12, 13, 14	175,519,160	186,911,151	170,626,662
Hotel operations		160,116,973	54,607,458	32,688,802
Advertising		144,723,382	114,388,720	71,973,193
Utilities		96,869,915	67,068,697	50,536,408
Security services		75,490,555	46,363,199	35,588,415
Repairs and maintenance		64,037,638	75,373,439	87,599,940
Transportation and travel		53,814,116	39,391,380	40,131,671
Insurance		52,054,986	41,993,315	27,249,959
Rent	12.3, 29.2	40,332,666	38,696,975	24,410,422
Association dues		39,948,303	37,178,773	34,626,976
Professional and legal fees		34,972,909	27,865,251	29,603,118
Representation and entertainment		29,749,434	36,342,834	33,552,413
Subscription and membership dues		27,226,686	18,002,477	14,108,468
Supplies		23,978,966	19,240,550	21,027,969
Management fee		11,992,873	14,633,689	11,767,780
Communications		14,832,431	8,338,820	8,540,822
Donations		11,714,249	27,231,797	13,629,849
Trainings and seminars		5,176,179	1,604,995	1,463,617
Others		381,928,214	427,763,973	186,351,803
		<u>12,557,088,053</u>	<u>11,187,434,823</u>	<u>10,241,812,351</u>

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

<i>(Amounts in PHP)</i>	Note	2024	2023 (As Restated – See Note 2)	2022 (As Restated – See Note 2)
Cost of sales and services	19	9,356,228,381	8,402,799,914	7,872,879,398
Operating expenses		3,200,859,672	2,784,634,909	2,368,932,953
		<u>12,557,088,053</u>	<u>11,187,434,823</u>	<u>10,241,812,351</u>

21. OTHER OPERATING INCOME AND OTHER LOSSES

21.1 Other Operating Income

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Administrative charges	190,972,411	159,551,234	91,633,272
Move-in fee income	104,692,210	19,520,069	38,348,832
Water service fee	35,768,815	16,337,568	14,260,920
Documentation fee	27,473,215	30,657,165	13,604,956
Utilities charged to tenants	20,970,020	16,034,536	5,612,043
Sponsorships	10,736,915	14,056,920	7,957,554
Late payment penalties charged to customers	10,322,308	10,753,489	7,524,767
Scrap sales	5,128,550	3,638,108	3,389,340
Foreign exchange gains	2,415,746	2,195,803	6,454,820
Referral incentive	2,289,300	1,396,796	2,240,129
Reversal of payables	-	115,283,578	40,320
Insurance claims	-	5,357,143	-
Others	41,400,360	15,997,370	11,475,800
	<u>452,169,850</u>	<u>410,779,779</u>	<u>202,542,753</u>

Move-in fee income pertain to excess fees charged to real estate buyers upon turn-over of their units over the cost of services to make the buyers' units habitable which include requisition of building insurance and fire extinguisher, processing of related taxes, utility connections and others.

Reversal of payables pertains to outstanding payables related to advances from buyers in excess of the paid transfer charges and move-in fees, which are not refunded to the buyers. It also includes outstanding payables from cancelled contracts with certain building contractors and suppliers, which the Group is no longer required to pay and income from the write-off of long-outstanding unidentified deposits.

Administrative charges include standard fees charged to the buyers and non-refundable portion of the buyers' payment upon withdrawal from sale.

21.2 Other Losses

This account is composed of the following:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Foreign exchange losses	3,943,489	3,338,765	8,205,863
Loss (gain) on sale of assets – net	(1,368,905)	17,410	(128,365)
Other losses	22,558,752	453,506	-
	<u>25,133,336</u>	<u>3,809,681</u>	<u>8,077,498</u>

22. FINANCE COSTS

This is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Interest expense on:				
Loans	15	1,971,427,485	2,205,875,946	1,136,010,363
Bonds	16	131,374,423	66,856,868	15,444,620
Lease liabilities	12.4	81,997,700	80,167,300	75,629,879
Day one loss, net of amortization of day one loss on non-current contract receivables	6	2,666,907	3,751,672	257,332
Post-employment defined benefit obligation	24.3	636,230	428,176	241,469
		<u>2,188,102,745</u>	<u>2,357,079,962</u>	<u>1,227,583,663</u>

Interest expense on loans and bonds are the portion not capitalized as part of property and equipment, and investment properties (see Notes 11 and 13).

23. FINANCE INCOME

This is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Interest income on banks	5, 9	20,582,423	13,874,699	14,664,879
Others		<u>3,452,981</u>	<u>1,108,707</u>	<u>154,487</u>
		<u>24,035,404</u>	<u>14,983,406</u>	<u>14,819,366</u>

24. EMPLOYEE BENEFITS

24.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Short-term employee benefits		720,113,717	633,424,448	532,826,554
Post-employment defined benefit expense	24.3	7,408,472	4,639,127	4,583,769
Share options	24.2, 27.4	<u>1,369,663</u>	<u>2,115,986</u>	<u>3,005,840</u>
	20	<u>728,891,852</u>	<u>640,179,561</u>	<u>540,416,163</u>

24.2 Employee Share Option

Employee share option expense, included as part of Salaries and employee benefits expense under the Operating Expenses account in the consolidated statements of profit or loss, amounted to P1,369,663, P2,115,986 and P3,005,840 in 2024, 2023 and 2022, respectively (see Note 24.1), while the corresponding cumulative credit to Share Options Outstanding account is presented under the Equity section of the consolidated statements of financial position (see Note 27.4).

24.3 Post-Employment Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group maintains a funded and non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Group. The trustee bank manages the fund in coordination with the Group's top management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with a minimum of five years of credited service and late retirement after age 60, both subject to the approval of the Group's BOD. Normal retirement benefit is an amount equivalent to 50% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment defined benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from an independent actuary in 2024 and 2023.

The amounts of post-employment defined benefit obligation recognized in the consolidated statements of financial position are determined as follows:

<i>(Amounts in PHP)</i>	2024	2023
Present value of the obligation	82,925,055	53,883,058
Fair value of plan assets	(42,615,660)	(43,487,144)
	40,309,395	10,395,914

The movements in the present value of the post-employment defined benefit obligation recognized in the books are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	53,883,058	44,024,728
Current service cost	7,408,472	4,639,127
Interest cost	3,297,643	3,178,585
Benefits paid	(2,395,737)	(2,979,087)
Remeasurements – actuarial losses (gains) arising from:		
Experience adjustments	37,353,269	2,676,303
Changes in financial assumptions	(16,621,650)	2,343,402
Balance at end of year	<u>82,925,055</u>	<u>53,883,058</u>

The movements in the fair value of plan assets are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	43,487,144	34,634,633
Interest income	2,661,413	2,750,409
Benefits paid	(2,395,737)	-
Loss on plan assets (excluding amounts included in net interest expense)	(1,137,160)	(817,260)
Contributions	-	6,919,362
Balance at end of year	<u>42,615,660</u>	<u>43,487,144</u>

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Unitized investment funds	33,367,846	35,963,869
Government securities	9,059,820	6,901,410
Receivables	131,176	91,322
Cash and cash equivalents	56,818	530,543
	<u>42,615,660</u>	<u>43,487,144</u>

The fair values of the above unitized investment funds and government debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

Plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations. The plan assets recognized gains in 2024 and 2023 amounting to P1,524,253 and P1,933,149, respectively, and loss in 2022 amounting to P736,246.

The components of amounts recognized in profit or loss and other comprehensive income in respect of the defined benefit post-employment plan are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Recognized in profit or loss</i>			
Current service cost - net	7,408,472	4,639,127	4,583,769
Net interest expense on defined benefit obligation	<u>636,230</u>	<u>428,176</u>	<u>241,469</u>
	<u>8,044,702</u>	<u>5,067,303</u>	<u>4,825,238</u>
<i>Recognized in other comprehensive income or loss</i>			
Actuarial losses (gains) arising from changes in:			
Experience adjustments	37,353,269	2,676,303	2,211,194
Financial assumptions	(16,621,650)	2,343,402	(4,166,909)
Loss on plan assets (excluding amounts included in net interest expense)	<u>1,137,160</u>	<u>817,259</u>	<u>2,533,087</u>
	<u>21,868,779</u>	<u>5,836,964</u>	<u>577,372</u>

The net interest expense is presented as part of Post-employment defined benefit obligation under Finance Costs in the statements of profit or loss (see Note 22).

Amounts recognized in other comprehensive loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Discount rates	6.12%	6.12%	7.22%
Salary increase rates	3%	7%	7%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 25 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are as follows:

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation:

<i>(Amounts in PHP)</i>	Impact on Post-employment Defined Benefit Obligation		
	Changes in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.0%	(4,106,498)	3,165,843
Salary increase rate	+/-1.0%	3,450,146	(4,610,035)
December 31, 2023			
Discount rate	+/-1.0%	(2,148,365)	1,759,621
Salary increase rate	+/-1.0%	2,571,038	(1,514,962)

In addition, assuming there are no attrition rates, the increase in post-employment defined benefit obligation would be P33,056,004 and P102,849,832 in 2024 and 2023, respectively.

The foregoing sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used In preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Asset-Liability Matching Strategies*

To efficiently manage the retirement plan, the Group, through its Retirement Plan Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the post-employment obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the post-employment obligations.

There has been no change in the Group's strategies to manage its risks from previous periods.

(iii) *Funding Arrangements and Expected Contributions*

The Group does not expect to make a contribution during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within one year	33,056,004	36,662,697
More than one year to five years	45,429,141	11,257,978
More than five years to ten years	351,181,103	11,757,739
	<u>429,666,248</u>	<u>59,678,414</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.43 years.

25. CURRENT AND DEFERRED TAXES

The Group is registered with the Board of Investments (BOI) as a developer of various economic and low-cost housing projects. Accordingly, the Group enjoys an income tax holiday on the BOI-registered projects within three to four taxable years from its registration. The Group has seven and eight registered projects with BOI as of December 31, 2024 and 2023, respectively.

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

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Reported in profit or loss:</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%	478,839,161	264,650,963	173,257,102
Final income tax	1,920,312	2,792,636	2,915,541
Minimum corporate income tax (MCIT)	-	1,385,046	2,061,395
	480,759,473	268,828,645	178,234,038
Deferred tax expense arising from –			
Origination and reversal of temporary differences	749,170,854	1,578,350,508	1,105,675,739
	1,229,930,327	1,847,179,153	1,283,909,777
<i>Reported in other comprehensive income (loss):</i>			
Deferred tax income arising from –			
Origination and reversal of temporary differences	5,467,195	1,459,241	144,343

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the consolidated statements of profit or loss is presented below.

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Tax on pretax profit at 25%	1,576,571,205	1,549,798,666	1,191,901,096
Adjustments for income subject to lower tax rate	(3,163,712)	(593,661)	(749,364)
Tax effects of:			
Non-taxable income	(355,663,148)	-	-
Non-deductible expenses	26,037,879	6,454,513	7,015,969
Prior period adjustment	-	291,004,134	124,196,540
Tax-exempt real estate sales	(6,663,457)	(2,801,680)	(31,596,098)
Changes in unrecognized deferred tax assets	(7,188,440)	3,317,181	(6,858,366)
Tax expense	<u>1,229,930,327</u>	<u>1,847,179,153</u>	<u>1,283,909,777</u>

The net deferred tax liabilities relate to the following as of December 31:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)
Deferred tax liabilities:		
Difference between tax reporting base and financial reporting base used in sales recognition	5,703,997,286	4,725,923,261
Effect of restatement – see Note 2	628,767,818	705,430,864
Post-employment defined benefit asset	875,788	875,788
Rental income	2,668,143	15,649,234
Others	7,340,866	255,466
	<u>6,343,649,901</u>	<u>5,448,134,613</u>
Deferred tax assets:		
Sales commissions	(340,073,637)	(301,763,750)
Net operating loss carry-over (NOLCO)	(176,991,919)	(63,865,699)
Net lease liabilities	(59,947,624)	(46,784,773)
MCIT	(1,944,623)	(1,262,043)
Unamortized past service cost	(1,486,199)	(1,486,199)
Employee stock option	(987,320)	(644,905)
Post-employment defined benefit obligation	(3,605,263)	(3,116,095)
Allowance for impairment	(12,232)	(560,566)
Other	(5,613,858)	(5,371,246)
	<u>(590,662,675)</u>	<u>(424,855,276)</u>
	<u>5,752,987,226</u>	<u>5,023,279,337</u>

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
<i>Reported in profit or loss:</i>			
Deferred tax liabilities:			
Difference between tax reporting base and financial reporting base used in sales recognition	926,097,567	1,702,678,467	1,202,649,149
Rental income	10,814,511	10,134,002	621,241
Post-employment defined benefit asset	(508,484)	-	(2,802,029)
Others	(777,604)	(4,253,356)	(2,214,351)
	935,625,990	1,708,559,113	1,198,254,010
Deferred tax assets:			
NOLCO	(111,228,584)	(29,820,842)	(21,179,834)
Sales commissions	(60,368,757)	(85,380,528)	(60,477,471)
Net lease liabilities	(13,500,384)	(13,573,240)	(12,160,455)
Employee stock options	(343,246)	(528,997)	(115,908)
MCIT	(1,014,165)	(934,875)	(327,169)
Post-employment defined benefit obligation	-	413,731	1,724,845
Amortization of past service cost	-	(287,887)	272,146
Allowance for impairment	-	(95,967)	(314,425)
	(186,455,136)	(130,208,605)	(92,578,271)
	749,170,854	1,578,350,508	1,105,675,739
<i>Reported in other comprehensive income –</i>			
Post-employment defined benefit obligation	(5,467,195)	(1,459,241)	(144,343)

NOLCO can be claimed as deduction from future taxable income within three years from the year the taxable loss was incurred except for NOLCO incurred in 2022 and 2021 by certain subsidiaries, which can be claimed as deduction from gross income until 2026 and 2025, respectively, in accordance with R.A. 11494, *Bayanihan to Recover as One Act*. Details of the Group's NOLCO are shown below.

<i>(Amounts in PHP)</i>				
Inception Year	Amount	Utilized	Balance	Expiry Year
2024	508,619,969	-	508,619,969	2027
2023	109,472,207	-	109,472,207	2026
2022	93,817,987	(3,942,488)	89,875,499	2025
2021	58,986,228	(58,986,228)	-	2026
2020	82,053,234	(82,053,234)	-	2025
	852,949,625	(144,981,950)	707,967,675	

The Group has deferred tax assets related to NOLCO of P13,593 and P7,684,221 as at December 31, 2024 and 2023, respectively, which were not recognized because the subsidiaries to which such are attributable may not be able to generate enough taxable profit yet within the validity period of NOLCO for the assets to be recovered. As at December 31, 2024, only the Parent Company, CCPH, YHES and SPE are subject to MCIT, which is computed at the applicable rate (1% before July 1, 2023 and 2% thereafter) of gross income net of allowable deductions, as defined under the tax regulations or to RCIT, whichever is higher. Other components of the Group are not yet subject to MCIT as those have not operated beyond four taxable years. The Group reported MCIT amounting to P5,660,123, P1,385,046 and P2,061,395 in 2024, 2023 and 2022, respectively.

The Group opted to treat the capitalized borrowing costs as capital expenditure in accordance with Section 34(b) of the NIRC; hence, there are no deferred taxes related to the transaction. Furthermore, it opted to claim itemized deductions in computing its income tax due for the years ended December 31, 2024, 2023 and 2022.

26. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company, entities under common ownership, associates, shareholders, the Group's key management personnel, and its retirement fund. A summary of the Group's transactions and outstanding balances with related parties is presented below.

<i>(Amounts in PHP)</i>	Notes	Amount of Transaction			Outstanding Balance	
		2024	2023	2022	2024	2023
Ultimate Parent Company						
Real estate sales	26.2	854,062,500	4,363,528	15,445,769	837,666,834	685,584
Cancellation of sales	26.2	-	79,849,031	-	-	-
Entities under Common Ownership						
Advances (collections)	26.1	7,865,191	10,835,561	(22,000,465)	54,101,961	46,236,770
Associates and Joint Venture						
Real estate sales	26.4	2,044,110,637	-	-	246,068,950	-
Advances (collections)	26.1	(3,036,610)	1,958,865	368,535	(676,613)	2,359,997
Key Management Personnel						
Real estate sales	26.3	10,769,427	-	34,868,415	-	-
Compensation	26.5	127,566,979	209,130,536	149,885,801	-	-

Based on management's assessment, no impairment loss is required to be provided on the Group's receivables from related parties as at December 31, 2024 and 2023. In respect of contract receivables, it is fully secured by the units purchased, expected to be settled in cash and due based on the contract terms.

Details of the foregoing transactions are discussed on the succeeding page.

26.1 Advances to Related Parties

The Group grants cash advances to shareholders, entities under common ownership and associates. An analysis of such advances in 2024 and 2023 is presented below.

<i>(Amounts in PHP)</i>	Entities Under Common Ownership	Associates	Total
Balance at January 1, 2024	46,236,770	2,359,997	48,596,767
Additional advances (payments)	7,865,191	(3,036,610)	4,828,581
Balance at December 31, 2024	54,101,961	(676,613)	53,425,348
Balance at January 1, 2023	35,401,209	401,132	35,802,341
Additional advances	10,835,561	1,958,865	12,794,426
Balance at December 31, 2023	<u>46,236,770</u>	<u>2,359,997</u>	<u>48,596,767</u>

The outstanding balances from these transactions, which are payable on demand, unsecured and noninterest-bearing, are presented as Due from related parties in the consolidated statements of financial position.

26.2 Real Estate Sales to Ultimate Parent Company

In 2024, the Company sold the Manresa lot to ABS amounting to P854,062,500 with a cost amounting to P470,900,926, resulting to a gross profit of P383,161,574. The outstanding balance, amounting to P837,666,834, is noninterest-bearing and due on demand related to this transaction and presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 6).

In 2023, and 2022, CLI sold condominium units to ABS. The outstanding balance related to these transactions are noninterest-bearing and due on demand, and is presented as part of Contract Receivables under the Receivables account in the consolidated statements of financial position (see Note 6). There was no similar transaction in 2024.

In 2023, the Group cancelled the sale of a single floor at Baseline HQ made to ABS on December 2017.

26.3 Real Estate Sales to Key Management Personnel

In 2024 and 2022, CLI sold condominium units to key management personnel. The outstanding balance related to these transactions are noninterest-bearing, collectible similarly to the sale of real estate units to customers, is presented as part of Contract receivables under the Receivables account in the 2024 and 2022 consolidated statement of financial position (see Note 6). There is no similar transaction in 2023.

26.4 Real Estate Sales to a Joint Venture

On April 10, 2024, CLI NUD, acquired two parcels of land from El Camino amounting to P2,044,110,637. The outstanding balance related to the acquisition of land amounting to P246,068,950 is presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 6).

26.5 Key Management Personnel Compensation

The composition of key management personnel compensation for the years ended December 31, 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	101,282,775	159,664,014	141,949,540
Post-employment benefits	26,284,204	47,350,536	4,930,421
Share options	1,369,663	2,115,986	3,005,840
	<u>128,936,642</u>	<u>209,130,536</u>	<u>149,885,801</u>

26.6 Retirement Fund

CLI's retirement fund for its defined post-employment plan is administered and managed by a trustee bank. The fair value of plan assets in 2024 and 2023 consists of the contributions to the plan and interest earned (see Note 24.3). The plan assets do not comprise investment in any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

27. EQUITY

27.1 Capital Stock

Details of the Parent Company's authorized capital stock as of December 31, 2024 and 2023 are as follows:

	<u>Shares</u>		<u>Amount in PHP</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Preferred shares				
Authorized				
Series A – P1.00 par value	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Series B – P0.10 par value	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Total	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and outstanding:				
Issuance during the year:				
Preferred Shares – Series A-1 (CLIA1)	2,063,360	-	2,063,360	-
Preferred Shares – Series A-2 (CLIA2)	2,216,980	-	2,216,980	-
Balance at end of year	<u>4,280,340</u>	<u>-</u>	<u>4,280,340</u>	<u>-</u>
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>
Issued:				
Balance at beginning and end of year	3,623,451,997	3,623,451,997	3,623,451,997	3,623,451,997
Treasury shares	(158,250,530)	(158,250,530)	(732,664,604)	(732,664,604)
Issued and outstanding	<u>3,465,201,467</u>	<u>3,465,201,467</u>	<u>2,890,787,393</u>	<u>2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment of the Articles of Incorporation (AOI) of CLI to reallocate the authorized capital stock of P10,100,000,000 to be divided as follows:

- (a) 9,000,000,000 common shares with a par value of P1 per share;
- (b) 1,000,000,000 Series A preferred shares with a par value of P1 per share; and,
- (c) 1,000,000,000 Series B preferred shares with a par value of P0.10 per share.

The amendment to the AOI was later approved by the stockholders on June 1, 2023. On October 18, 2023, the SEC officially accepted CLI's application for the amendment of its AOI, which was later approved on December 29, 2023.

On April 12, 2024, CLI issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,276,059,660 (see Note 27.2). The initial dividend rate of the shares shall be as follows: (a) in respect of the Series A-1 Preferred Shares, at fixed rate of 7.59% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.25% per annum of the offer price. The BOD has full discretion over the declaration and payment of dividends, subject to conditions and to the extent allowed by law. There was no issued preferred shares as at December 31, 2023.

The share price of the Parent Company's common stock closed at P2.65 per share on December 27, 2024 and P2.47 per share on December 29, 2023, the last trading day in the PSE for 2024 and 2023 respectively.

The common stock of the Parent Company that is held under nominee accounts totaled 1,289,888,375 shares and 1,285,302,905 shares as of December 31, 2024 and 2023, respectively. This represents 35% of the Parent Company's outstanding shares as of December 31, 2024 and 2023, respectively.

The Parent Company has no other listed equity securities as at December 31, 2024 and 2023.

27.2 Additional Paid-in Capital

On June 2, 2017, the Parent Company made an initial public offering (IPO) of 430,000,000 unissued common shares at an offer price of P5 per share, which is equivalent to P2,150,000,000. Accordingly, the Parent Company recognized additional paid-in capital of P1,608,917,974 in the consolidated statements of financial position after deducting the related share issuance costs of P111,082,026.

On April 12, 2024, the Company issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,247,007,247 in the consolidated statements of financial position after deducting the related share issuance costs of P29,052,413.

27.3 Treasury Shares

On February 27, 2018, the BOD of the Parent Company approved a P250,000,000 budget for a share buy-back program and employee stock option plan. On March 2022, qualified employees started exercising their stock options (see Note 27.4).

On March 27, 2020, the BOD of the Parent Company approved an additional P500,000,000 stock buy-back program over the next two years.

In relation to this program, the Parent Company reacquired its common stock in 2021 and 2020, for P15,320,885 and P485,657,205, respectively, and presented them as Treasury Stock in the consolidated statement of financial position. No additional shares were reacquired in 2022.

In 2022, the Parent Company has reissued 3,349,470 shares of treasury shares as a result of exercise of the same number of stock options (Note 27.4).

As of December 31, 2024 and 2023, the Group has a total of 158,250,530 treasury shares amounting to P732,664,604.

27.4 Employee Share Option

On October 6, 2021, the BOD of the Parent Company approved the Executive Stock Option Plan (ESOP) for its qualified officers. The ESOP grants options to purchase the shares of the Parent Company at a price of P2.25 or current market price with a 15% discount, whichever is higher. Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least six months from the exercise date. Voting and dividend rights vest upon the issuance of the shares to the employees.

Pursuant to this ESOP, on January 5, 2022, the Parent Company granted share options to qualified officers to subscribe to 31,016,200 common shares of the Parent Company, with the following vesting period.

- The 1st 25% of the options granted can be exercised immediately upon the year of grant;
- The 2nd 25% of the options granted can be exercised one year after the options were granted;
- The 3rd 25% of the options granted can be exercised two years after the options were granted; and,
- The last 25% of the options granted can be exercised three years after the options were granted.

In 2022, a total of 3,349,470 share options were exercised at a price of P2.40 per share using the Parent Company treasury shares (see Note 27.3).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	2.5 years
Average share price at grant date	P2.86
Average exercise price at grant date	P2.43
Average fair value at grant date	P0.15
Average standard deviation of share price returns	20.17%
Average dividend yield	14.95%
Average risk-free investment rate	2.59%

The underlying expected volatility was determined by reference to historical prices of the Parent Company's shares.

Share option benefits expense, which is included as part of Salaries and employee benefits under the Operating Expenses account, amounting to P1,369,663, P2,115,986 and P3,005,840 was recognized in 2024, 2023 and 2022, respectively (see Note 24.1), while the corresponding credit to Share Options Outstanding account is presented as part of Equity Attributable to Owners of the Parent Company under the Equity section of the consolidated statements of financial position.

27.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statement of changes in equity at their aggregate amount under the Revaluation Reserves account are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		(18,288,224)	(13,910,501)	(13,477,472)
Other comprehensive loss:				
Gain (loss) on remeasurement of post-employment defined benefit obligation	24.3	(21,868,779)	(5,836,964)	(577,372)
Tax income (expense)	25	5,467,195	1,459,241	144,343
		<u>(16,401,584)</u>	<u>(4,377,723)</u>	<u>(433,029)</u>
Balance at end of year		<u>(34,689,808)</u>	<u>(18,288,224)</u>	<u>(13,910,501)</u>

27.6 Retained Earnings

(a) Cash Dividends

<u>Date of Declaration</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Total Cash Dividends</u>	<u>Dividend Per Share</u>
<i>(Amounts in PHP)</i>				
<u>2024</u>				
Common shares:				
March 18, 2024	April 17, 2024	May 3, 2024	519,780,220	0.15
March 18, 2024	April 17, 2024	May 3, 2024	<u>103,956,045</u>	0.03
			<u>623,736,265</u>	
Preferred shares (CLIA1):				
June 14, 2024	July 2, 2024	July 12, 2024	39,126,462	18.96
June 14, 2024	October 2, 2024	October 12, 2024	39,126,462	18.96
November 21, 2024	January 2, 2025	January 12, 2025	39,126,462	18.96
November 21, 2024	April 2, 2025	April 12, 2025	39,126,462	18.96
November 21, 2024	July 2, 2025	July 12, 2025	39,126,462	18.96
November 21, 2024	October 2, 2025	October 12, 2025	<u>39,126,462</u>	18.96
			<u>234,758,772</u>	18.96
Preferred shares (CLIA2):				
June 14, 2024	July 2, 2024	July 12, 2024	45,725,213	20.63
June 14, 2024	October 2, 2024	October 12, 2024	45,725,213	20.63
November 21, 2024	January 2, 2025	January 12, 2025	45,725,213	20.63
November 21, 2024	April 2, 2025	April 12, 2025	45,725,213	20.63
November 21, 2024	July 2, 2025	July 12, 2025	45,725,213	20.63
November 21, 2024	October 2, 2025	October 12, 2025	<u>45,725,213</u>	20.63
			<u>274,351,278</u>	20.63
			<u>1,132,846,315</u>	
<u>2023</u>				
Common shares:				
March 20, 2023	April 18, 2023	April 28, 2023	519,780,220	0.15
March 20, 2023	April 18, 2023	April 28, 2023	<u>103,956,044</u>	0.03
			<u>623,736,264</u>	
<u>2022</u>				
Common shares:				
March 15, 2022	April 22, 2022	May 17, 2022	<u>519,780,221</u>	0.15

Dividends declared on March 18, 2024 and June 14, 2024 were fully paid on May 3, 2024 and July 12, 2024, respectively. Dividends declared on November 21, 2024 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position. Dividends declared in 2023 and 2022 were fully paid in the same year.

(b) Appropriated Retained Earnings Releases

On November 23, 2023 and December 6, 2022, the Parent Company's BOD approved the appropriation of P6,324,658,043 and P3,931,475,893, respectively, from its retained earnings for the construction of various real estate projects. The real estate projects are expected to be completed from dates ranging from 2024 until 2030. There was no additional appropriations for 2024.

In 2024, 2023 and 2022, the Parent Company reversed certain appropriations made in previous years amounting to P3,691,083,698, P3,341,330,930 and P172,049,912, respectively, to unrestricted retained earnings after partial fulfillment of its intended purpose.

A portion of the Group's retained earnings, equivalent of the cost of treasury shares is legally restricted in accordance with Section 40 of the Revised Corporation Code.

27.7 Non-controlling Interests

The subsidiaries of the Group with significant NCI as at December 31, 2024, 2023 and 2022 are as follows:

<i>(Amounts in PHP)</i>	NCI Ownership %			NCI Equity in Subsidiaries		
	2024	2023	2022	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
YHEST	50%	50%	50%	4,718,648,818	4,299,554,192	3,777,561,870
CHDI	50%	50%	50%	1,775,597,220	1,548,403,514	786,666,552
El Camino	65%	65%	65%	1,050,993,312	1,086,949,888	1,122,368,628
YHES	50%	50%	50%	867,863,915	907,960,322	686,512,645
CBLRV	50%	50%	50%	527,272,087	416,435,594	105,222,808
GGTT	50%	50%	50%	417,651,149	393,007,824	267,015,020
CLI-LITE	12%	12%	12%	201,875,060	152,524,190	124,588,359
CCLI	50%	50%	50%	130,574,877	158,489,937	91,485,695
YES	50%	50%	50%	93,744,663	95,705,218	181,981,225
MDC	22%	22%	22%	79,727,650	79,728,192	79,813,515
MGR	55%	55%	55%	40,279,331	6,697,228	101,114,684
SPE	36%	36%	36%	40,218,586	46,960,280	14,296,286
BL Ventures	50%	50%	50%	16,096,350	28,437,150	74,395,398
				9,960,543,018	9,220,853,529	7,413,022,685

The analysis of the movement of NCI as at December 31, 2024, 2023 and 2022 are as follows:

<i>(Amounts in PHP)</i>	2024	2023 (As Restated – see Note 2)	2022 (As Restated – see Note 2)
Balance at beginning of year, as previously reported	9,345,354,263	7,511,051,738	7,092,307,321
Effect of restatement	(124,500,734)	(98,029,053)	(74,679,850)
Balance at beginning of year, as previously reported	9,220,853,529	7,413,022,685	7,017,627,471
Share in net profit during the year	987,939,489	1,040,710,844	413,654,204
Dividends	(280,750,000)	(112,380,000)	(79,900,000)
New and additional investments	32,500,000	879,500,000	61,641,010
Balance at end of year	9,960,543,018	9,220,853,529	7,413,022,685

The new and additional investments came from the non-controlling shareholders of CHDI and CCLI in 2024, from the non-controlling shareholders of CHDI, CCLI and SPE in 2023, and from the non-controlling shareholders of SPE and MDC in 2022.

The dividends came from El Camino, MGR, and YHEST in 2024, from MGR and BL Ventures and YES in 2023, and from MGR and BL Ventures in 2022.

The summarized balance sheets of the subsidiaries with significant NCI before intragroup eliminations for the years ended December 31, 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<u>Current Assets</u>	<u>Non-current Assets</u>	<u>Current Liabilities</u>	<u>Non-current Liabilities</u>	<u>Equity</u>
December 31, 2024					
YHEST	4,732,875,684	7,526,450,603	1,923,555,773	1,511,908,831	8,823,861,685
CHDI	4,025,975,872	2,544,692,951	1,792,023,074	3,022,272,778	3,548,396,044
YHES	2,970,173,020	2,471,313,142	2,031,699,394	3,706,095,671	1,735,390,490
El Camino	2,172,378,675	889,089,830	739,751,539	1,444,015,716	1,617,452,787
GGTT	1,788,464,918	469,522,086	753,914,883	541,198,195	962,873,924
CLI-LITE	965,620,369	2,301,003,630	1,355,407,885	345,682,430	1,565,533,683
CBLRV	603,683,420	1,899,456,744	813,842,484	1,451,164,980	1,051,975,182
CCLI	307,643,860	1,691,584,432	470,572,541	1,268,538,161	260,117,587
YES	296,832,879	29,310,884	144,398,770	(5,744,336)	187,489,330
MDC	177,685,083	-	1,466,105	-	176,218,977
MGR	119,075,133	422,178	31,557,893	11,329,271	76,610,147
SPE	98,394,325	577,907,461	216,051,718	229,816,789	230,433,278
BL Ventures	105,216,916	646,681,970	557,268,270	719,732,931	32,165,956
December 31, 2023					
YHEST	7,734,595,875	3,546,876,031	1,859,479,842	699,882,212	8,722,109,852
CHDI	4,599,085,997	754,108,027	1,421,802,775	834,584,221	3,096,807,028
El Camino	3,356,543,217	1,905,626,745	2,128,113,784	1,461,825,581	1,672,230,597
YHES	2,269,517,130	3,448,370,957	2,088,005,396	1,813,962,047	1,815,920,644
CBLRV	681,079,710	1,360,702,524	892,598,764	316,312,282	832,871,188
GGTT	469,201,653	1,417,731,748	725,244,756	375,672,997	786,015,648
CCLI	147,574,518	1,385,762,580	282,662,087	933,695,137	316,979,874
CLI-LITE	695,597,554	1,473,557,615	703,143,944	245,817,705	1,220,193,520
YES	379,897,473	165,518,020	263,099,988	90,905,069	191,410,436
MDC	364,415,785	-	2,014,912	-	362,400,873
MGR	181,224,979	642,056	42,574,704	12,570,098	126,722,233
SPE	56,236,350	420,821,441	80,356,451	266,256,118	130,445,222
BL Ventures	76,490,553	668,892,636	369,764,081	318,744,808	56,874,300

The summarized comprehensive income of the subsidiaries with significant NCI before intragroup eliminations for the years ended December 31, 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	<u>Revenues</u>	<u>Net Profit (Loss)</u>	<u>Other Comprehensive Income (Loss)</u>
2024			
YHEST	1,788,569,079	654,217,739	-
YHES	243,823,072	(96,593,439)	-
CBLRV	557,720,261	91,908,313	-
CHDI	1,312,596,286	220,013,607	-
GGTT	247,941,535	25,126,856	-
CLI-LITE	1,046,885,265	267,020,356	-
BL Ventures	69,102,098	7,206,943	-
El Camino	2,135,750,175	371,516,031	-
YES	125,087,974	43,715,007	-
SPE	20,019,996	(16,668,496)	-
CCLI	65,939,152	(49,144,695)	-
MGR	40,324,929	19,079,655	-
MDC	-	(2,419)	-

<i>(Amounts in PHP)</i>	<u>Revenues</u>	<u>Net Profit (Loss)</u>	<u>Other Comprehensive Income (Loss)</u>
2023			
YHEST	2,865,787,323	970,928,006	-
YHES	987,027,818	442,895,354	-
CBLRV	954,184,151	337,425,572	-
CHDI	1,012,029,844	289,473,924	-
GGTT	604,200,731	251,985,607	-
CLI-LITE	637,386,548	223,486,648	-
BL Ventures	50,452,086	(75,116,496)	-
El Camino	249,507,623	(59,490,369)	-
YES	22,310,048	(32,352,014)	-
SPE	-	(20,377,794)	-
CCLI	-	(25,991,516)	-
MGR	61,948,129	4,477,353	-
MDC	-	(381,832)	-
2022			
GGTT	820,847,579	354,846,240	-
YHEST	868,396,211	339,127,564	-
CHDI	844,564,708	228,293,599	-
YHES	622,016,164	162,027,169	-
YES	166,545,780	(122,633,178)	-
BL Ventures	(4,367,243)	(90,732,683)	-
SPE	-	(24,517,493)	-
El Camino	408,514,109	13,797,794	-
CBLRV	34,842,825	12,979,029	-
CCLI	-	(10,691,245)	-
CLI-LITE	-	(1,156,876)	-
MGR	(26,999,881)	952,259	-
MDC	-	(413,395)	-

The allocation of profit or loss between the Parent Company and NCI as follows:

<i>(Amounts in PHP)</i>	<u>Parent Company's Shareholders</u>	<u>NCI</u>	<u>Net Profit</u>
2024			
YHEST	327,108,870	327,108,870	654,217,740
YHES	(48,296,719)	(48,296,719)	(96,593,438)
CBLRV	45,954,156	45,954,156	91,908,312
CHDI	110,006,804	110,006,804	220,013,608
GGTT	12,563,428	12,563,428	25,126,856
CLI-LITE	233,642,811	33,377,544	267,020,355
BL Ventures	3,603,472	3,603,472	7,206,944
El Camino	130,030,611	241,485,420	371,516,031
YES	21,857,503	21,857,503	43,715,006
SPE	(10,667,837)	(6,000,659)	(16,668,496)
CCLI	(24,572,347)	(24,572,347)	(49,144,694)
MGR	8,585,845	10,493,810	19,079,655
MDC	(1,880)	(540)	(2,420)
2023			
YHEST	485,464,003	485,464,003	970,928,006
YHES	221,447,677	221,447,677	442,895,354
CBLRV	168,712,786	168,712,786	337,425,572
CHDI	144,736,962	144,736,962	289,473,924
GGTT	125,992,803	125,992,803	251,985,606
CLI-LITE	195,550,817	27,935,831	223,486,648
BL Ventures	(37,558,248)	(37,558,248)	(75,116,496)
El Camino	(19,071,629)	(35,418,740)	(54,490,369)
YES	(16,176,007)	(16,176,007)	(32,352,014)
SPE	(13,041,788)	(7,336,006)	(20,377,794)
CCLI	(12,995,758)	(12,995,758)	(25,991,516)
MGR	2,014,809	2,462,544	4,477,353
MDC	(302,509)	(85,323)	(387,832)
2022			
YHEST	169,563,782	169,563,782	339,127,564
YHES	81,013,584	81,013,585	162,027,169
CBLRV	6,489,514	6,489,514	12,979,028
CHDI	114,146,799	114,146,799	228,293,598
GGTT	177,423,120	177,423,120	354,846,240
CLI-LITE	(1,012,266)	(144,609)	(1,156,875)
BL Ventures	(45,466,342)	(45,466,342)	(90,932,684)
El Camino	4,829,228	8,968,566	13,797,794
YES	(61,316,589)	(61,316,589)	(122,633,178)
SPE	(15,691,196)	(8,826,297)	(24,517,493)
CCLI	(5,345,623)	(5,345,623)	(10,691,246)
MGR	428,517	523,742	952,259
MDC	(321,167)	(92,228)	(413,395)

28. EARNINGS PER SHARE

EPS is computed as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u> (As Restated – See Note 2)	<u>2022</u> (As Restated – See Note 2)
Net profit attributable to Parent	3,009,909,488	2,794,959,152	2,688,261,719
Preferred dividends – see Note 27.6	(509,110,050)	-	-
Income available to common stockholders	2,500,799,438	2,794,959,152	2,688,261,719
Divided by weighted average number of outstanding common shares	3,465,201,467	3,465,201,467	3,464,364,100
Basic and diluted EPS	0.72	0.81	0.78

The Parent Company granted share options to qualified officers (see Note 27.4). The basic and diluted earnings per share in 2024, 2023 and 2022 are the same because the dilutive effects of potential common shares from the employee share options are negligible for the periods presented. The maximum increase in the weighted average number of outstanding shares from the exercise of employee shares options in 2023 and 2022 amounting to 10,876,872 shares and 4,773,547 shares, respectively, which results in the same EPS amounts. There was no similar transaction in 2024.

Aside from the employee share options, there were no instruments that could potentially dilute basic earnings per share in 2024, 2023, and 2022; hence, basic EPS is the same as diluted EPS.

29. COMMITMENTS AND CONTINGENCIES

29.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases covering certain condominium and parking units and retail building space (see Note 13). To manage its risks over these operating leases, the Group retains its legal title over the underlying assets and requires its lessee to pay security deposits at the start of the lease, which are forfeited in case a lessee pre-terminates without prior notice or before the expiry of the lease term without cause. The leases have terms ranging from one to 15 years, with renewal options, and include annual escalation from 5% to 10%.

The future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Within one year	159,503,707	90,163,930	65,807,376
Within one to two years	115,750,118	107,102,709	38,881,603
Within two to three years	48,430,040	71,458,255	25,941,561
Within three to four years	42,816,603	23,406,711	8,497,362
Within four to five years	306,213,534	45,565,584	66,269,406
More than five years	445,954,152	136,979,178	92,651,746
	1,118,668,154	474,676,367	298,049,054

None of the rental income in 2024, 2023 and 2022 are relating to variable lease payments.

29.2 Operating Lease Commitments – Group as Lessee

The Group entered into several short-term cancellable leases for its billboards, warehouse and staff house. Rent expense incurred from the short-term cancellable leases are shown as Rent under Operating Expenses in the consolidated statements of profit or loss (see Notes 20).

As at December 31, 2024 and 2023, the expected future rentals is expected to be more or less the same with the annual rent expense recognized because of the terms of the leases, which are less than 12 months.

29.3 Completion of Sold Units

The Group is obligated to finish the sold units that are at a certain stage of completion at the time of sale. The Group recognized a contract liability, which amounts to P296,265,11 and P449,338,207 as at December 31, 2024 and 2023, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 18.2).

29.4 Purchase of Land

In 2024 and 2023, the Group had agreed in principle with multiple sellers of real estate properties in various locations in Visayas and Mindanao for the acquisition of parcels of land amounting to P854,851,112 and P349,502,459, respectively and transferred to raw land inventory amounting to P854,851,112 and P464,499,188 in 2024 and 2023, respectively (see Note 8).

29.5 Capital Commitments for Construction Cost

As at December 31, 2024 and 2023, the Group has capital commitments amounting to P9,884,073,424 and P7,869,502,871, respectively, for the construction of real estate inventories, property and equipment and investment properties.

29.6 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations that are not reflected in the consolidated financial statements because the possible outflow of economic resource as a result of present obligations is considered improbable or remote or the amount to be provided cannot be measured reliably. As at December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's consolidated financial statements.

30. EVENTS AFTER THE REPORTING PERIOD

30.1 Public Offering of Sustainability-linked Bonds

On November 21, 2024, the BOD authorized the public offer, sale and issuance of CLI's Sustainability-Linked Bonds (SLB) comprising of Philippine Peso-denominated "Series D Bonds" due 2028 and "Series E Bonds" due 2030, with a base offer of up to P3,000,000,000 and an oversubscription option of up to P2,000,000,000. The notice was provided to the PSE and the SEC on December 20, 2024 and the Parent Company listed its SLB at the PDEx on March 21, 2025.

From and including the first day of the Interest Period immediately following the Interest Period within which a Target Measurement Date falls (each an "Interest Step-Up Date"), the Applicable Interest Rate for each series shall be equal to the Original Interest Rate plus 0.075% for each occurrence of a Trigger Event. There is a Trigger Event when a Sustainability Performance Target (SPT) is not met on the applicable Target Observation Date as determined in the verification assurance report of the relevant External Verification Provider.

The SPT shall be as follows:

- Short Term SPT: Build 8,500 new Affordable Housing units by February 2027
- Medium Term SPT: Build 16,000 new Affordable Housing units by February 2029

30.2 Incorporation of CLI Luzon Ventures, Inc.

On March 18, 2025, the SEC duly approved the registration of CLI Luzon Ventures, Inc., a wholly-owned subsidiary of Cebu Landmasters, Inc., presently engaged with real estate development, sales, leasing, and property management, with a real estate portfolio that includes condominiums and subdivisions for residences, mixed-use properties, townships, hotels and resorts, offices, and co-living spaces.

30.3 Declaration of Cash Dividends on Common Shares

On March 17, 2025, the BOD approved the declaration of regular cash dividends amounting to P0.15 per share and special cash dividends amounting to P0.03 per share with record date on April 11, 2025 which will be paid on April 16, 2025.

31. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in Note 32. The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

It does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described as follows:

31.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating, investing, and financing activities.

It has no significant foreign currency exposure risks as most of its transactions are carried out in Philippine pesos, its functional currency.

31.2 Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Group maintains credit policies and monitors its exposure to credit risk on a continuous basis. Receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Group transfers the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces only upon full payment of the contract price.

(a) *Maximum exposure to credit risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets (including contract assets), as summarized below.

<i>(Amounts in PHP)</i>	Notes	2024	2023
Cash and cash equivalents	5	1,583,238,995	913,841,206
Receivables*	6	4,559,580,864	2,211,305,404
Contract assets	18.1	49,427,127,660	45,093,986,410
Due from related parties	26.1	53,425,348	48,596,767
Short-term investments	9	344,058,432	200,838,362
Refundable deposits	14	162,843,330	152,741,454
		<u>56,130,274,629</u>	<u>48,621,309,603</u>

*Receivables excludes advances to officers and employees.

The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Contract receivables	6,928,861,063	20,542,658,953	-
Contract assets	48,662,599,011	91,773,492,697	-
	<u>55,591,460,074</u>	<u>112,316,151,650</u>	-
2023			
Contract receivables	1,549,074,563	11,060,916,251	-
Contract assets	45,093,986,410	78,168,084,114	-
	<u>46,643,060,973</u>	<u>89,229,000,365</u>	-

(b) *Credit risk concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Group's contract receivables and contract assets, net of allowance for impairment, is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Cebu	22,754,685,446	21,835,148,629
Rest of Visayas	11,485,421,026	2,545,817,311
Mindanao	17,605,869,229	15,398,918,372
Luzon	1,242,801,200	6,863,176,661
	<u>53,088,776,901</u>	<u>46,643,060,973</u>

(c) *Credit Quality*

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

Other receivables, due from related parties and refundable deposits are considered to be unrated. For trade receivables, standard grade pertains to receivables with no default in payments and are effectively collateralized by the real estate inventories which can be subject to repossession upon non-payment of customers after reasonable collection effort has been exerted by the Group.

The quality of the Group's financial assets as of December 31, 2024 and 2023 is shown below.

	<u>Neither past due not impaired</u>			<u>Past due but not impaired</u>	<u>Individually impaired</u>	<u>Total</u>
	<u>High grade</u>	<u>Standard grade</u>	<u>Unrated</u>			
2024						
Cash	1,583,238,995	-	-	-	-	1,583,238,995
Receivables:						
Contract	-	3,530,774,464	-	100,341,741	-	3,631,116,205
Others	-	-	926,028,003	-	2,436,656	928,464,659
Contract assets	-	49,427,127,660	-	-	-	49,427,127,660
Due from related parties	-	-	53,425,348	-	-	53,425,348
Short-term investments	344,058,432	-	-	-	-	344,058,432
Refundable deposits	-	-	162,843,330	-	-	162,843,330
	<u>1,927,297,427</u>	<u>52,957,902,124</u>	<u>1,142,296,681</u>	<u>100,341,741</u>	<u>2,436,656</u>	<u>56,130,274,629</u>
2023						
Cash	913,841,206	-	-	-	-	913,841,206
Receivables:						
Contract	-	1,178,231,296	-	370,843,267	-	1,549,074,563
Others	-	-	659,988,579	-	2,242,262	662,230,841
Contract assets	-	45,093,986,410	-	-	-	45,093,986,410
Due from related parties	-	-	48,596,767	-	-	48,596,767
Short-term investments	200,838,362	-	-	-	-	200,838,362
Refundable deposits	-	-	152,741,454	-	-	152,741,454
	<u>1,114,679,568</u>	<u>46,272,217,706</u>	<u>861,326,800</u>	<u>370,843,267</u>	<u>2,242,262</u>	<u>48,621,309,603</u>

31.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly. It maintains cash to meet its liquidity. Excess cash are invested in short-term placements.

(Amounts in PHP)	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
December 31, 2024				
Interest-bearing loans and borrowings	9,497,098,173	7,681,229,710	28,265,746,477	7,641,105,598
Bonds payable	168,742,525	168,742,525	5,597,779,622	-
Trade and other payables*	14,960,959,702	5,985,919,806	493,844,611	-
	24,626,800,400	13,835,892,041	34,357,370,710	7,641,105,598
December 31, 2023				
Interest-bearing loans and borrowings	9,019,543,332	8,681,210,960	27,263,099,212	7,644,652,342
Bonds payable	168,742,525	168,742,525	4,872,277,006	1,062,987,665
Trade and other payables*	18,062,302,871	274,654,434	4,801,971,020	-
	27,250,588,728	9,124,607,919	36,937,347,238	8,707,640,007

* Trade and other payables excludes output VAT, government-related obligations and advance rental.

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

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

32.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)	Notes	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
At amortized cost:					
Cash and cash equivalents	5	1,583,238,995	1,583,238,995	913,841,206	913,841,206
Receivables - net ¹	6	4,559,580,864	4,559,580,864	2,211,305,404	2,211,305,404
Due from related parties	26.1	53,425,348	53,425,348	48,596,767	48,596,767
Short-term investments	9	344,058,432	344,058,432	200,838,362	200,838,362
Refundable deposits	14	162,843,330	162,843,330	152,741,454	152,741,454
		6,703,146,969	6,703,146,969	3,527,323,193	3,527,323,193
Financial Liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	15	44,652,079,931	46,603,897,194	42,188,845,736	43,660,634,271
Bonds payable	16	4,964,768,926	5,102,082,489	4,947,822,521	5,159,876,668
Trade and other payables ²	17	21,440,724,120	21,440,724,120	22,771,317,468	22,771,317,468
		71,057,572,977	73,146,703,803	69,907,985,725	71,591,828,407

¹ Receivables - net excludes advances to officers and employees.

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

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 31.

32.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial assets	Financial assets set-off		Financial instruments	Cash collateral received	
December 31, 2024						
Cash and cash equivalents	1,583,238,995	-	1,583,238,995	1,577,435,027	-	5,803,968
December 31, 2023						
Cash and cash equivalents	913,841,206	-	913,841,206	909,475,471	-	4,365,735

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial liabilities	Financial liabilities set-off		Financial instruments	Cash collateral received	
December 31, 2024						
Interest-bearing loans	44,652,079,931	-	44,652,079,931	1,577,435,027	-	43,056,897,586
December 31, 2023						
Interest-bearing loans	42,188,845,736	-	42,188,845,736	909,475,471	-	41,279,370,265

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., banks) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

32.3 Fair Value Measurements and Disclosures

(a) Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

(b) Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table in the succeeding page summarizes the fair value hierarchy of the Group's financial assets and financial liabilities, which are not measured at fair value in the 2024 and 2023 consolidated statements of financial position, but for which fair value is disclosed (see Note 32.1).

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2024				
<i>Financial assets:</i>				
Cash and cash equivalents	1,583,238,995	-	-	1,583,238,995
Receivables – net ¹	-	-	4,559,580,864	4,559,580,864
Due from related parties	-	-	53,425,348	53,425,348
Short-term investments	344,058,432	-	-	344,058,432
Refundable deposits	-	-	162,843,330	162,843,330
	<u>1,927,297,427</u>	<u>-</u>	<u>4,775,849,542</u>	<u>6,703,146,969</u>
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	46,603,897,194	46,603,897,194
Bonds payable	-	-	5,102,082,489	5,102,082,489
Trade and other payables	-	-	21,118,993,305	21,118,993,305
	<u>-</u>	<u>-</u>	<u>72,824,972,988</u>	<u>72,824,972,988</u>
2023				
<i>Financial assets:</i>				
Cash and cash equivalents	913,841,206	-	-	913,841,206
Receivables – net ¹	-	-	2,211,305,405	2,211,305,405
Due from related parties	-	-	48,596,767	48,596,767
Short-term investments	200,838,362	-	-	200,838,362
Refundable deposits	-	-	152,741,453	152,741,453
	<u>1,114,679,568</u>	<u>-</u>	<u>2,412,643,625</u>	<u>3,527,323,193</u>
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	43,660,634,271	43,660,634,271
Bonds payable	-	-	5,159,876,668	5,159,876,668
Trade and other payables	-	-	22,771,317,468	22,771,317,468
	<u>-</u>	<u>-</u>	<u>71,591,828,407</u>	<u>71,591,828,407</u>

¹ Receivables excludes advances to officers and employees.

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

For the Group's financial assets and financial liabilities, which are measured at amortized cost, management has determined that their carrying amounts are equal to or approximate their fair values, except for interest-bearing loans and borrowings, because of their short-term nature.

(c) *Fair Value Measurement for Non-financial Assets*

The Group has no non-financial assets measured at fair value as at December 31, 2024 and 2023.

The table below shows the Levels within the hierarchy of investment property, which are not carried at fair value but whose fair value are required to be disclosed on a recurring basis.

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024	<u>-</u>	<u>-</u>	<u>22,139,376,787</u>	<u>22,139,376,787</u>
December 31, 2023	<u>-</u>	<u>-</u>	<u>18,422,843,422</u>	<u>18,422,843,422</u>

In 2024 and 2023, the fair value of the Group's Investment Properties is determined on the basis of the appraisals performed by an independent external appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the parcels of land and buildings, and the comparable prices in the corresponding property location.

The fair value of these parcels of land, condominium units, parking units, construction-in-progress and retail building were determined based on the following approaches:

(i) *Fair Value Measurement for Land, Condominium Units, Parking units and Retail Buildings*

The Level 3 fair value of the parcels of land, condominium units, retail building and parking slots under Investment Properties account was determined using the market approach, adjusted for differences in key attributes such as properties size, zoning and accessibility.

Under the market approach, when comparable lease offerings of similar properties and sales prices of comparable land properties in close proximity are used in the valuation of the subject property with insignificant adjustment on the price, fair value is included in Level 2. Consequently, if the observable recent prices of the reference properties were adjusted significantly for differences in key attributes such as properties size, zoning and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

(ii) *Fair Value Measurement for Improvements under Retail Buildings*

The Level 3 fair value of building improvements presented as part of retail buildings under Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change on the valuation techniques used by the Group, except as indicated above, during the period for its investment properties. There were no transfers into or out of Level 2 fair value hierarchy for the years ended December 31, 2024 and 2023.

33. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u> (As Restated – See Note 2)
Total interest-bearing loans and borrowings and bonds payable	49,616,848,857	47,136,668,257
Total equity	<u>30,306,119,405</u>	<u>23,453,111,077</u>
Debt-to-equity ratio	<u>1.64:1.00</u>	<u>2.01:1.00</u>

The Group's goal in capital management is to limit a maximum debt-to-equity structure ratio of 75:25 on a monthly basis. The Group is required to maintain certain financial ratios in relation with its borrowings (see Note 15.2). The Group has complied with its covenant obligations for both years ended December 31, 2024 and 2023.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group also monitors its debt coverage ratio (DCR) in each of the reporting periods. As at December 31, 2024 and 2023, the Group's DCR is 1.58:1.00 and 1.97:1.00, respectively.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

<i>(Amounts in PHP)</i>	Bank Loans <i>(see Note 15)</i>	Lease Liabilities <i>(see Note 12.2)</i>	Bonds Payable <i>(see Note 16)</i>	Total
Balance as of January 1, 2024	42,188,845,736	1,262,856,055	4,947,822,521	48,399,524,312
Cash flows from financing activities:				
Additional borrowings - net	17,475,143,091	-	-	17,475,143,091
Repayments	(15,162,165,054)	(53,505,133)	-	(15,215,670,187)
Non-cash financing activities:				
Amortization of debt issue cost	150,256,158	-	16,946,405	167,202,563
Interest amortization on lease obligation	-	81,997,700	-	81,997,700
Balance at December 31, 2024	<u>44,652,079,931</u>	<u>1,291,348,622</u>	<u>4,964,768,926</u>	<u>50,908,197,479</u>
Balance as of January 1, 2023	35,062,290,611	1,237,059,483	4,930,582,631	41,229,932,725
Cash flows from financing activities:				
Additional borrowings - net	12,943,572,214	-	-	12,943,572,214
Repayments	(5,791,848,745)	(54,646,634)	-	(5,846,495,379)
Reclassifications	(154,500,000)	-	-	(154,500,000)
Non-cash financing activities:				
Amortization of debt issue cost	129,331,655	-	17,239,890	146,571,545
Interest amortization on lease obligation	-	80,167,300	-	80,167,300
Amendment of lease contract	-	275,906	-	275,906
Balance at December 31, 2023	<u>42,188,845,735</u>	<u>1,262,856,055</u>	<u>4,947,822,521</u>	<u>48,399,524,311</u>
Balance as of January 1, 2022	32,021,719,390	1,126,130,301	-	33,147,849,691
Cash flows from financing activities:				
Additional borrowings - net	11,749,374,715	-	4,926,627,631	16,676,002,346
Repayments	(8,807,422,731)	(17,574,742)	-	(8,824,997,473)
Non-cash financing activities:				
Amortization of debt issue cost	98,619,237	-	3,955,000	102,574,237
Interest amortization on lease obligation	-	75,629,879	-	75,629,879
Amendment of lease contract	-	52,874,045	-	52,874,045
Balance at December 31, 2022	<u>35,062,290,611</u>	<u>1,237,059,483</u>	<u>4,930,582,631</u>	<u>41,229,932,725</u>

35. SUPPLEMENTAL INFORMATION ON NON-CASH INVESTING AND FINANCING ACTIVITIES

Discussed below are the supplemental information on non-cash investing and financing activities relative to the consolidated statements of cash flows of the Group.

- (a) The Group recognized additional Right-of-Use assets and Lease Liabilities amounting to P5,176,039 in 2024, P275,906 due to amendment of a lease contract in 2023 and P52,874,045 due to new lease contracts in 2022 (see Notes 12 and 34).
- (b) In 2024, 2023 and 2022, borrowing costs that were capitalized as part of Property and Equipment and Investment Properties totaled to P1,578,497,457, P917,080,738 and P543,556,861, respectively (see Notes 7, 11, 13 and 15).
- (c) In 2024, 2023 and 2022, the Group recognized unpaid construction costs of P1,597,110,016, P2,126,087,766 and P2,339,738,833, respectively, in Property and Equipment and Investment Properties (see Notes 11 and 13).
- (d) In 2024, the Group reclassified assets from Investment Properties totaling P1,291,548,786 and P2,536,188 to Real Estate Inventories and Property Equipment. In 2023, the Group reclassified assets from Investment Properties totaling P1,220,235,831 and P502,646 to Real Estate Inventories and Property and equipment. In 2022, the group reclassified assets from Investment Properties totaling P729,713,956 and P1,301,034,975 to Real Estate Inventories and Property Equipment, respectively (see Notes 7, 11 and 13).
- (e) On November 21, 2024, BOD approved the declaration of cash dividends on CLI's Series A-1 and A-2 preferred shares amounting to P18.96 per share and P20.63 per share, respectively with record date of April 2, 2025, July 2, 2025 and October 2, 2025, respectively and will be paid on April 12, 2025, July 12, 2025 and October 12, 2025, respectively (see Note 27). Dividends payable amounting to P339,406,706 is presented as Dividends payable under Trade and Other Payables in the 2024 statement of financial position.

In 2023, BL Ventures declared dividends amounting to P16,800,000 of which P8,400,000 is still outstanding and payable to shareholders as at December 31, 2023. The amount was paid in full as at December 31, 2024.

- (f) On November 21, 2024, the BOD approved the Parent Company's intent to enter into negotiations with ABS for the sale 30% of its shareholdings with CLI NUD in the amount of P237,832,347, reclassifying portion of the investment in joint venture to NCAHFS (see Note 10).



P&A
Grant Thornton

**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange Commission
Filed Separately from the Basic
Consolidated Financial Statements**

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**The Board of Directors and Stockholders
Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)**

10th Floor, Park Centrale Tower
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Cebu I.T. Park, Brgy., Apas
Cebu City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Cebu Landmasters, Inc. and Subsidiaries (the Group) for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 9, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 9, 2025

Cebu Landmasters, Inc. and Subsidiaries
(A Subsidiary of A B Soberano Holdings Corp.)
List of Supplementary Information
December 31, 2024

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	<u>1</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Affiliates)	<u>2</u>
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements	<u>3</u>
D	Long-Term Debt	<u>4</u>
E	Indebtedness to Related Parties	<u>5</u>
F	Guarantees of Securities of Other Issuers	<u>6</u>
G	Capital Stock	<u>7</u>
Other Required Information		
	Map Showing the Relationship Between and Among the Company and Its Ultimate Parent, Subsidiaries and Associates	<u>8</u>
	Reconciliation of Retained Earnings Available for Dividend Declaration as of December 31, 2024	<u>9</u>
	Supplemental Schedule of Financial Soundness Indication	<u>10</u>

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
Schedule A - Financial Assets
December 31, 2024

<i>Type of securities</i>	<i>Amount Shown in the Statement of Financial Position</i>		<i>Income Received and Accrued</i>	
<u>Financial Assets at Amortized Cost</u>				
Cash and Cash Equivalents				
Cash in banks	P	1,351,646,121	P	7,207,269
Short-term placements		225,788,906		13,375,154
Cash on hand		5,803,968		-
		1,583,238,995		20,582,423
Receivables				
Contract receivables		3,631,116,205		-
Retention receivable		228,839,768		-
Management fee receivables		151,382,428		-
Receivable from insurance		9,473,355		-
Rent receivable		90,307,660		-
Other receivables		448,461,448		-
		4,559,580,864		-
Due from Related Parties		53,425,348		-
Prepayments and Other Current Assets				
Short-term investments		344,058,432		-
Other Non-Current Assets				
Refundable deposits		162,843,330		-
Total	P	6,703,146,969	P	20,582,423

Cebu Landmasters, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
December 31, 2024

Name and designation of debtor				Deductions		Ending Balance		Balance at end of period
	Balance at beginning of period	Additions	Reclassification	Amounts collected	Amounts Written off	Current*	Not-current**	
Entities Under Common Ownership:								
<i>Condominium Corporation</i>								
Base Line Center Condo Corporation	P 15,736,623	P 6,242,331	P -	P -	P -	P 21,978,954	P -	P 21,978,954
Casa Mira Towers Labangon	6,291,282	747,582	-	-	-	7,038,864	-	7,038,864
Mesatierra Garden Residences Condominium Corporation	5,217,587	-	-	(5,453,268)	-	(235,681)	-	(235,681)
Baseline Residences Condo Corporation	2,749,658	879,342	-	-	-	3,629,000	-	3,629,000
Latitude Corporate Center Condo Corp	2,605,747	-	-	(1,152,714)	-	1,453,033	-	1,453,033
Mivesa Garden Residences Condo Corporation	1,810,384	23,957,805	-	(18,000,000)	-	7,768,190	-	7,768,190
Mesaverte Residences Condominium Corporation	1,033,048	326,041	-	-	-	1,359,089	-	1,359,089
Midori Residences Condo Corporation	323,904	119,940	-	-	-	443,844	-	443,844
Asia Premier Condo Corporation	302,046	33,077	-	-	-	335,123	-	335,123
Mesavirre Garden Residences Condominium Corporation	172,876	-	-	(87,707)	-	85,169	-	85,169
38 Park Avenue Condominium Corporation	75,218	-	-	(9,898)	-	65,320	-	65,320
Casa Mira Towers Guadalupe Condominium Corp	42,000	269,638	-	(47,866)	-	263,772	-	263,772
Mivela Garden Residences Condominium Corporation	-	163,275	-	-	-	163,275	-	163,275
Park Centrale Condo Corporation	(775,337)	-	-	(216,346)	-	(991,683)	-	(991,683)
	<u>35,585,036</u>	<u>32,739,031</u>	<u>-</u>	<u>(24,967,798)</u>	<u>-</u>	<u>43,356,270</u>	<u>-</u>	<u>43,356,270</u>
<i>Homeowners' Associations</i>								
Casa Mira South	3,607,443	96,831	-	-	-	3,704,274	-	3,704,274
Casa Mira Linao	1,544,423	12,448	-	-	-	1,556,871	-	1,556,871
Velmiro Heights	678,047	157,915	-	-	-	835,962	-	835,962
Midori Plains	544,204	24,243	-	-	-	568,446	-	568,446
Casa Mira Coast	270,754	474,496	-	(11,527)	-	733,723	-	733,723
San Josemaria Villages	255,019	-	-	(27,665)	-	227,354	-	227,354
Villa Casita North	14,382	-	-	(9,400)	-	4,982	-	4,982
Velmiro Uptown	(172,443)	-	-	(310,745)	-	(483,188)	-	(483,188)
	<u>6,741,829</u>	<u>765,933</u>	<u>-</u>	<u>(359,337)</u>	<u>-</u>	<u>7,148,425</u>	<u>-</u>	<u>7,148,425</u>
<i>Others</i>								
Regalos de Cebu	2,194,298	-	-	(621,020)	-	1,573,278	-	1,573,278
AB Soberano International Corp	1,687,466	-	-	-	-	1,687,466	-	1,687,466
CLI Water, Inc.	-	303,880	-	-	-	303,880	-	303,880
Cebu Landmasters Foundation, Inc.	28,142	4,500	-	-	-	32,642	-	32,642
	<u>3,909,906</u>	<u>308,380</u>	<u>-</u>	<u>(621,020)</u>	<u>-</u>	<u>3,597,266</u>	<u>-</u>	<u>3,597,266</u>
	<u>46,236,771</u>	<u>33,813,345</u>	<u>-</u>	<u>(25,948,155)</u>	<u>-</u>	<u>54,101,961</u>	<u>-</u>	<u>54,101,961</u>
Associates								
Magspeak Nature Park Inc	72,130	-	-	(72,130)	-	0	-	0
CLI NUD Ventrues, Inc.	-	10,692	-	-	-	10,692	-	10,692
Iloilo Global City Corporation	2,328,000	-	-	(2,328,000)	-	-	-	-
ICOM Air Corporation	(40,134)	(647,172)	-	-	-	(687,305)	-	(687,305)
	<u>2,359,997</u>	<u>(636,480)</u>	<u>-</u>	<u>(2,400,130)</u>	<u>-</u>	<u>(676,613)</u>	<u>-</u>	<u>(676,613)</u>
Joint Venture								
CLI NUD Ventures, Inc.	-	2,044,110,637	-	(1,798,041,687)	-	246,068,950	-	246,068,950
Ultimate Parent Company								
	<u>685,584</u>	<u>854,062,500</u>	<u>-</u>	<u>(17,081,250)</u>	<u>-</u>	<u>837,666,834</u>	<u>-</u>	<u>837,666,834</u>
Key Management Personnel								
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	P 49,282,352	P 2,931,350,002	P -	(P 1,843,471,221)	P -	P 1,137,161,133	P -	P 1,137,161,133

*Due within one year

**Due beyond one year

Cebu Landmasters, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2024

Name and Designation of debtor	Balance at beginning of period	Additions	Reclassification	Deductions		Current*	Non-current**	Balance at end of period
				Amounts collected	Amounts written off			
El Camino Developers Cebu, Inc.	P 383,711,746	IP 43,728,029	P	(P 419,104,130)		P 8,335,645	P -	P 8,335,645
Yuson Excellence Soberano, Inc.	113,369,451	17,749,876		(128,211,564)		2,907,763	-	2,907,763
Cebu Homegrown Developers, Inc.	34,736,425	237,968,471		(34,294,736)		238,410,159	-	238,410,159
Cebu Landmasters Property Management, Inc.	29,156,913	42,572,604		(17,247,608)		54,481,910	-	54,481,910
BL CBP Ventures, Inc.	28,546,357	110,514,689		(16,052,115)		123,008,931	-	123,008,931
CLI Premier Hotels Int'l. Inc.	20,202,450	28,446,117		(30,715,258)		17,933,309	-	17,933,309
Cebu BL-Ramos Ventures, Inc.	12,356,218	12,151,391		(21,453,161)		3,054,448	-	3,054,448
CCLI Premier Hotels Int'l. Inc.	11,201,786	95,385,542		(841,917)		105,745,411	-	105,745,411
YHEST Realty and Development Corporation	9,986,671	70,895,997		(75,560,906)		5,321,762	-	5,321,762
GGTT Realty Corporation	5,532,349	23,191,836		(5,973,214)		22,750,971	-	22,750,971
Sugbo Prime Estate, OPC.	2,999,124	24,849,979		(4,720,914)		23,128,189	-	23,128,189
Yuson Huang Excellence Soberano, Inc.	2,661,785	12,929,640		(11,720,689)		3,870,736	-	3,870,736
Mivesa Garden Residences, Inc.	1,177,907	14,819,861		(15,719,871)		277,898	-	277,898
CLI Hotels and Resorts, Inc.	277,810	1,889,791		(2,000,000)		167,601	-	167,601
CLI-LITE Panglao, Inc.	52,108	10,568,869		(9,740,029)		880,948	-	880,948
Ming-mori Development Corporation	-	-		-		-	-	-
	P 655,969,100	P 747,662,692	-	(P 793,356,112)	P -	P 610,275,679	P -	P 610,275,679

*Due within one year

**Due beyond one year

Cebu Landmasters, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2024

<i>Title of issue and type of obligation</i>	<i>Amount shown under caption "Current portion of long-term debt" in related Statement of Financial Position</i>	<i>Amount shown under caption "Long-Term Debt" in related Statement of Financial Position</i>	<i>Interest Rate</i>	<i>No. of Periodic Installments</i>	<i>Maturity Date</i>
<i>Promissory notes</i>					
Bank of the Philippine Islands	P 2,246,975,077	P 4,203,220,172	6.5% to 8.35%	Various	1/6/2025 to 5/27/2034
Land Bank of the Philippines	1,383,284,064	1,008,161,145	5% to 7.50%	Various	5/30/2028 to 8/30/2029
BDO Unibank Inc.	296,183,833	166,264,682	6.38% to 8.37%	Various	5/13/2025 to 7/25/2027
Bank of Commerce	-	978,707,440	7.23% to 8.75%	Various	11/9/2028 to 3/3/2029
Development Bank of the Philippines	658,014,181	3,325,806,628	5% to 8.5%	Various	1/15/2025 to 5/20/2034
China Banking Corporation	865,666,667	4,346,042,284	6.65% to 8.25%	Various	3/26/2025 to 5/1/2034
Rizal Commercial Banking Corporation	168,307,692	2,373,541,023	8% to 8.75%	Various	3/13/2025 to 12/15/2030
RCBC Capital Corporation	100,000,000	750,042,466	7.25% to 7.5%	Various	3/26/2025 to 12/15/2030
Philippine National Bank	1,418,917,195	460,661,482	4.75% to 7.96%	Various	1/25/25 to 3/18/2025
Philippine Veterans Bank	300,000,000	299,588,047	7%	Various	1/25/2025
Union Bank of the Philippines	600,000,000	408,077,573	7%	Various	12/19/2025 to 4/26/2027
Asia United Bank	37,500,000	305,685,163	6.25% to 6.75%	Various	03/17/27 to 6/16/28
Philippine Commercial Capital Inc	40,000,000	-	8%	Various	12/2/2025
Security Bank	321,897,590	444,007,977	7%	Various	10/28/2025
	<u>8,436,746,299</u>	<u>19,069,806,084</u>			
<i>Corporate notes</i>					
Bank of the Philippine Islands	305,385,166	880,443,071	3.54% to 7.25%	Various	12/20/25 to 04/28/27
Land Bank of the Philippines	158,250,057	1,663,426,557	4.23% to 6.63%	Various	08/02/28 to 03/10/30
BDO Unibank Inc.	461,063,665	449,290,631	7.25%	Various	12/20/25
Development Bank of the Philippines	183,284,258	1,231,182,369	3.54% to 4.66%	Various	04/28/27
China Banking Corporation	150,539,935	2,752,970,645	3.46% to 7.25%	Various	09/04/25 to 10/10/28
Rizal Commercial Banking Corporation	113,233,361	1,155,504,165	3.46% to 4.66%	Various	09/04/25 to 04/28/27
Social Security System	119,910,225	123,566,006	3.460%	Various	09/04/25
	<u>1,491,666,667</u>	<u>8,256,383,445</u>			
<i>CTS (Loans)</i>					
Bank of the Philippine Islands	-	104,801,357	7.5% to 8.35%	Various	12/29/25 to 08/05/26
China Banking Corporation	-	3,196,337,718	7.750%	Various	09/22/25 to 06/27/26
Rizal Commercial Banking Corporation	-	3,431,159,701	7.500%	Various	08/30/25 to 10/31/26
Security Bank	-	478,178,660	7.200%	Various	9/30/2026 to 12/6/26
	<u>-</u>	<u>7,210,477,436</u>			
<i>Bonds</i>					
Philippine Depository & Trust	-	4,964,768,926	6.42% to 7.36%	1	4/7/26 to 10/7/29
<i>Loans to partners</i>					
IBC Holdings Co.	82,000,000	-	-	-	12/31/2024
Borromeo Bros Estate, Inc.	105,000,000	-	6.250%	Various	5/11/2024 to 7/29/2024
	<u>187,000,000</u>	<u>-</u>			
	P 10,115,412,966	P 39,501,435,891			

Cebu Landmasters, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties
December 31, 2024

<i>Name of related party</i>	<i>Balance at beginning of period</i>	<i>Balance at end of period</i>
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NOT APPLICABLE

Cebu Landmasters, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issues
December 31, 2024

<i>Name of issuing entity of securities guaranteed by the company for which this statement is filed</i>	<i>Title of issue of each class of securities guaranteed</i>	<i>Total amount guaranteed and outstanding</i>	<i>Amount owned by person for which statement is filed</i>	<i>Nature of guarantee</i>
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NOT APPLICABLE

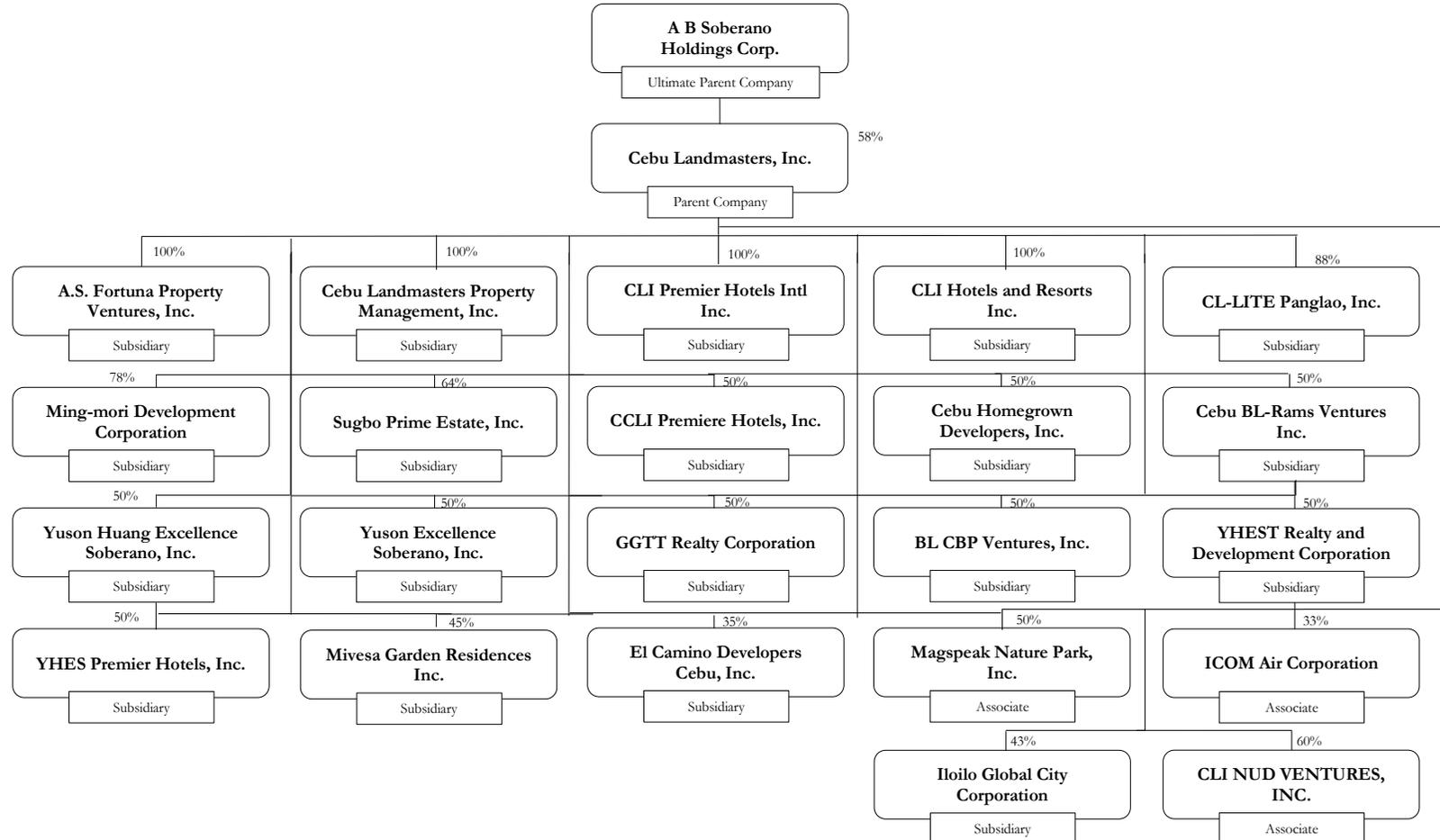
Cebu Landmasters, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2024

<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related Statement of Financial Position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of shares held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Common shares - P1.00 par value						
Authorized	9,000,000,000					
Issued and outstanding		3,623,451,997	158,250,530	2,288,870,095	48,502,500	1,286,079,402
Preferred Shares:						
Authorized						
Series A– P1.00 par value	1,000,000,000					
Series B – P0.10 par value	1,000,000,000					
Issued and outstanding						
Series A-1 (CLIA1)		2,063,360	-	-	-	-
Series A-2 (CLIA2)		2,216,980	-	-	-	-

CEBU LANDMASTERS, INC. AND SUBSIDIARIES

Map Showing the Relationship Between and Among the Company
and its Ultimate Parent, Subsidiaries, and Associates

December 31, 2024



Cebu Landmasters, Inc. and Subsidiaries
10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu I.T. Park, Brgy., Apas, Cebu City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year		P 2,468,821,650
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	3,691,083,696	
Effect of restatements or prior-period adjustments	2,128,529,128	
Others	<u>-</u>	5,819,612,824
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(1,132,846,321)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	<u>-</u>	(1,132,846,321)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		7,155,588,153
Add/Less: Net Income (Loss) for the Current Year		2,942,278,082
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	(872,605,465)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	<u>-</u>	
Sub-total		(872,605,465)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	<u>-</u>	
Sub-total		<u>-</u>
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	<u>-</u>	
Sub-total		<u>-</u>
Adjusted Net Income/Loss		P 9,225,260,770
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	<u>-</u>	
Sub-total		<u>-</u>
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	<u>-</u>	
Sub-total		<u>-</u>
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	45,329,584	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	<u>-</u>	
Sub-total		<u>45,329,584</u>
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		P 9,270,590,354

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2024 and 2023
(Amounts in Philippine Pesos)

Ratio	Formula	2024	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets Divide by: Total Current Liabilities <hr/> Current Ratio	1.51 47,640,752,757 31,627,957,820 1.51	Total Current Assets divided by Total Current Liabilities Total Current Assets Divide by: Total Current Liabilities <hr/> Current Ratio	1.51 52,785,208,234 34,999,214,802 1.51
Acid test ratio	Quick assets (Cash and cash equivalents plus Current Receivables and Current Contract Assets and Due from Related Parties) divided by Total Current Liabilities Cash and cash equivalents Add: Current Receivables Current Contract Assets Due from Related Parties <hr/> Quick Assets Divide by: Total Current Liabilities <hr/> Acid test ratio	0.85 1,583,238,995 4,481,590,912 20,843,159,851 53,425,348 26,961,415,106 31,627,957,820 0.85	Quick assets (Cash and cash equivalents plus Current Receivables and Current Contract Assets and Due from Related Parties) divided by Total Current Liabilities Cash and cash equivalents Add: Current Receivables Current Contract Assets Due from Related Parties <hr/> Quick Assets Divide by: Total Current Liabilities <hr/> Acid test ratio	0.84 913,841,206 2,093,139,231 26,225,182,718 48,596,767 29,280,759,922 34,999,214,802 0.84
Solvency ratio	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets <hr/> Solvency ratio	0.72 78,696,405,437 109,002,524,842 0.72	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets <hr/> Solvency ratio	0.77 76,994,963,242 100,448,074,319 0.77
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity <hr/> Debt-to-equity ratio	2.60 78,696,405,437 30,306,119,405 2.60	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity <hr/> Debt-to-equity ratio	3.28 76,994,963,242 23,453,111,077 3.28
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets Divide by: Total Equity <hr/> Assets-to-equity ratio	3.60 109,002,524,842 30,306,119,405 3.60	Total Assets divided by Total Equity Total Assets Divide by: Total Equity <hr/> Assets-to-equity ratio	4.28 100,448,074,319 23,453,111,077 4.28
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax Cash and Cash Equivalents Depreciation & Amortization Add: Interest charged to: Cost of Sales Finance cost <hr/> EBIT Divide by: Interest Expense* Interest rate coverage ratio <i>*Includes 1,578,497,457 interest capitalized as part of property and equipment, and investment property</i>	4.96 5,227,779,304 1,583,238,995 175,519,160 - 2,102,801,908 9,089,339,367 1,830,937,556 4.96 <i>*Includes 1,578,497,457 interest capitalized as part of property and equipment, and investment property</i>	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax Cash and Cash Equivalents Depreciation & Amortization Add: Interest charged to: Cost of Sales Finance cost <hr/> EBIT Divide by: Interest Expense* Interest rate coverage ratio <i>*Includes 917,080,738 interest capitalized as part of property and equipment, and investment property</i>	4.14 5,682,849,149 913,841,206 186,911,151 - 2,272,732,814 9,056,334,320 2,187,811,210 4.14 <i>*Includes 917,080,738 interest capitalized as part of property and equipment, and investment property</i>
Return on equity	Net Profit divided by Total Ave. Equity Net Profit Divide by: Total Ave. Equity <hr/> Return on equity	15% 3,997,848,977 26,879,615,240 15%	Net Profit divided by Total Ave. Equity Net Profit Divide by: Total Ave. Equity <hr/> Return on equity	18% 3,835,669,997 21,464,715,080 18%
Return on assets	Net Profit divided by Total Ave. Assets Net Profit Divide by: Total Ave. Assets <hr/> Return on assets	4% 3,997,848,977 104,725,299,580 4%	Net Profit divided by Total Ave. Assets Net Profit Divide by: Total Ave. Assets <hr/> Return on assets	4% 3,835,669,997 92,185,537,130 4%
Net profit margin	Net Profit divided by Revenues Net Profit Divide by: Total Revenue <hr/> Return on assets	20% 3,997,848,977 19,525,343,389 20%	Net Profit divided by Revenues Net Profit Divide by: Total Revenue <hr/> Return on assets	20% 3,835,669,997 18,818,413,368 20%
Other ratio				
Gross profit margin	Gross Profit divided by Total Revenue Gross Profit Divide by: Total Revenue <hr/> Gross profit margin	52% 10,169,115,008 19,525,343,389 52%	Gross Profit divided by Total Revenue Gross Profit Divide by: Total Revenue <hr/> Gross profit margin	55% 10,415,613,454 18,818,413,368 55%

Cebu Landmasters, Inc. and Subsidiaries
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

	2024	2023
Total Audit Fees	P 2,640,000	P 2,400,000
Non-audit service fees:		
Other assurance service	-	-
Tax service	-	-
All other service	<u>3,180,000</u>	<u>2,700,000</u>
Total Non-Audit Fees	<u>3,180,000</u>	<u>2,700,000</u>
Total Audit and Non-audit Fees	<u>P 5,820,000</u>	<u>P 5,100,000</u>