

17 December 2024

Philippine Dealing & Exchange Corp.

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

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

Securities and Exchange Commission

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

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

Dear Mesdames and Gentlemen:

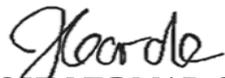
In compliance with PDEX Rule 7.9.3 and the Implementing Rules and Regulations of the Securities and Regulation Code, we enclose a copy of Cebu Landmasters, Inc.'s ("CLI" or the "Company") disclosure filing to The Philippine Stock Exchange, Inc.

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

Very truly yours,

CEBU LANDMASTERS, INC.

By:



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



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended

Sep 30, 2024

2. SEC Identification Number

CS200321240

3. BIR Tax Identification No.

227-599-320-000

4. Exact name of issuer as specified in its charter

CEBU LANDMASTERS, INC.

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

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

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

Postal Code

6000

8. Issuer's telephone number, including area code

0322314870

9. Former name or former address, and former fiscal year, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

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

Yes No

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

PHILIPPINE STOCK EXCHANGE - COMMON SHARES & PREFERRED SHARES

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

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



Cebu Landmasters, Inc. CLI

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

For the period ended	Sep 30, 2024
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2024	Dec 31, 2023
Current Assets	57,312,657,482	52,696,044,778
Total Assets	105,032,042,388	100,358,910,863
Current Liabilities	29,482,522,496	34,999,214,802
Total Liabilities	75,179,867,332	77,010,576,140
Retained Earnings/(Deficit)	11,280,735,227	9,666,062,866
Stockholders' Equity	29,852,175,056	23,348,334,723
Stockholders' Equity - Parent	20,046,804,347	14,151,791,986
Book Value per Share	5.79	4.08

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	2,867,115,012	3,857,009,953	14,347,631,917	13,275,254,789
Gross Expense	1,670,082,883	1,903,518,445	9,140,625,677	7,926,360,529
Non-Operating Income	6,792,119	6,489,814	15,819,124	7,915,785
Non-Operating Expense	290,982,324	542,461,760	1,341,762,500	1,563,930,825
Income/(Loss) Before Tax	912,841,924	1,417,519,562	3,881,062,864	3,792,879,220
Income Tax Expense	214,748,129	377,051,921	967,724,594	959,837,888
Net Income/(Loss) After Tax	698,093,796	1,040,467,641	2,913,338,270	2,833,041,332
Net Income Attributable to Parent Equity Holder	621,119,956	809,116,017	2,323,260,299	2,179,748,901
Earnings/(Loss) Per Share (Basic)	0.16	0.23	0.65	0.63

Earnings/(Loss) Per Share (Diluted)	0.16	0.23	0.65	0.63
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	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.92	0.75
Earnings/(Loss) Per Share (Diluted)	0.92	0.75

Other Relevant Information

Cebu Landmasters, Inc. (CLI) has amended its 17Q to disclose the reviewed financial results for the nine months ending September 30, 2024. This amendment is in preparation for the issuance of a PHP 5 billion sustainability-linked bond issuance, which forms part of the remaining PHP 10 billion shelf registration.

COVER SHEET

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SEC REGISTRATION NUMBER										

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(Company Name)

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

Atty. John Edmar G. Garde
Contact Person

(032) 231 - 4870
Company Telephone Number

1	2
Month	

3	1
Day	

17-Q
Form Type

0	6
Month	

0	4
Day	

Regular Stockholders' Meeting

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Secondary License Type, If Applicable

Dept. Requiring this Doc		

Amended Articles Number/Section

22
Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number									

LCU

Document I.D.									

Cashier

SEC Number: CS200321240

File Number: _____

CEBU LANDMASTERS, INC.

(Company's Full Name)

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

(Company Address)

(032) 231-4870

(Telephone Number)

September 30, 2024

(Quarter Ended)

SEC Form 17-Q Quarterly Report

(Form Type)

Amended for the quarter ended September 30, 2024

(Amendments)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended September 30, 2024
2. Commission Identification Number CS200321240
3. BIR Tax Identification No. 227-599-320
4. Exact name of issuer as specified in its charter: CEBU LANDMASTERS, INC
5. Province, Country or other jurisdiction of incorporation or organization:
CEBU CITY, CEBU, PHILIPPINES
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of the issuer's principal office and postal code:
10TH FLOOR, PARK CENTRALE, B2 L3, JOSE MA. DEL MAR ST.,
CEBU IT PARK, APAS, CEBU CITY
Postal code: 6000
9. Issuer's telephone number, including area code: (032) 231-4870
10. Former name, former address, former fiscal year: Not applicable
11. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

Stock Exchange: Philippine Stock Exchange

Securities listed: Common shares
Preferred shares

12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes No
 - (b) has been subject to such filing requirements for the past 90 days:
Yes No

I. MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

As of September 30, 2024, CLI has a total of 124 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

In the first nine months of 2024, Cebu Landmasters launched four projects with a total value of PHP 8.23 billion. Among these, Casa Mira Homes Butuan, valued at PHP 2.6 billion, marked CLI's initial expansion into Butuan, with a significant portion of the inventory being sold within the first month of launch, and as of now, 84% of the total stock has been sold since the launch date. Additionally, the Velmiro Heights Davao project, comprising 362 units, sold out in just two days, generating PHP 2.7 billion in sales. These achievements contributed to CLI reaching a 96% sell-out status across all projects at various stages of development, with total reservation sales amounting to PHP 18.6 billion to date.

Additionally, during the first nine months of 2024, CLI expanded its hospitality portfolio with the grand opening of three new hotels: Iyf Cebu City at Base Line Center with 159 rooms, The Pad Co-Living in Banilad High Street with 258 rooms, and Citadines Bacolod with 200 rooms. These additions will complement Citadines Cebu City, which is operating 180 rooms, in CLI's strategy in growing its hotel portfolio. CLI is currently constructing six additional hotels to further enhance its revenue from the hospitality sector.

Moreover, CLI announced its first international partnership earlier this year, collaborating with NTT UD Asia Pte. Ltd.-- a Japanese company known for its mixed use residential and commercial developments – to establish CLI NUD Ventures, Inc. As part of this collaboration, CLI sold a lot for PHP 2 billion to CLI NUD Ventures, Inc., for the development of a premier-grade condominium at Cebu IT Park. Their inaugural project, valued at PHP 6.4 billion, is expected to launch in the last quarter of 2024. The first tower of this development will feature over 500 premium residential units, marking a significant milestone in CLI's expansion journey.

Furthermore, CLI has spent PHP 9.43 billion in capital expenditures, with the majority 72.5% allocated for residential development, 12.6% for investment properties, and the remaining portion for existing lot payments.

As of September 30, 2024, Cebu Landmasters, Inc. (CLI) reported a total land bank of 87.6 hectares valued at PHP 10 billion, including the expansion site in General Santos City. During the year, CLI developed 26.8 hectares, primarily for the Casa Mira Butuan and Velmiro Heights projects. The company is actively negotiating the acquisition of properties in Luzon for its initial expansion into that market. In the third quarter, CLI plans to purchase a total of 47.7 hectares in Luzon and the Visayas.

On April 12, 2024, the company successfully raised PHP 4.28 billion through the sale of Series A-1 and Series A-2 preferred shares. The shares were listed on the Philippine Stock Exchange (PSE) under the ticker symbols CLIA1 and CLIA2. The offering was 1.43 times oversubscribed relative to its firm offer amount, with dividend rates set at 7.59% for Series A-1, which has a four-year term, and 8.25% for Series A-2, which has a seven-year term.

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

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 September 30, 2024 vs January 1 to September 30, 2023

Cebu Landmasters Inc. demonstrated a steady topline in the first nine months of 2024, with consolidated revenue increasing by 9% to ₱14.11 billion from ₱12.93 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 income to parent, rising from ₱2.18 billion to ₱2.32 billion - reflecting a 7% normalized growth year-on-year in alignment with the updated PFRS.

REVENUES

Real estate sales

Real estate sales recorded a significant 9% year-over-year increase in revenue to ₱13.80 billion from ₱12.70 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 45% of its overall figure. Mindanao and Visayas (ex-Cebu) contributed 30% and 23%, 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 ₱2.22 billion, reflecting a decrease of 44% year-on-year from ₱3.93 billion. This decrease can be attributed to significant revenue qualifications in the previous year related to Costa Mira Beachtown Mactan, One Paragon Place, and One Astra, which are scheduled for turnover this year.

Garden Series (Mid-market), posted a revenue of ₱4.32 billion from ₱3.63 billion. The 19% growth was driven by The East Village, CLI's first residential project within the Davao Global Township (DGT), along with the addition of new towers and Mandra Residences

Casa Mira Series (Economic market) generated revenue from ₱5.06 billion to ₱5.09 billion, reflecting a 1% increase. This growth is driven by Casa Mira Homes Davao, Casa Mira Homes Danao, Casa Mira Towers Palawan, Casa Mira Towers Bacolod, and Casa Mira Towers Mandaue.

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 ₱113.55 million, representing a 47% year-on-year increase from ₱77.32 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 3rd quarter of 2024, 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. This expansion brings the company's total number of operational rooms to 530. Notably, hotel operations have

seen a significant boost, with revenue rising to ₱148.82 million, up from ₱98.17 million in the same period last year, representing a 52% 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 2024 . 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 ₱46 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 six months ending September 30, 2024, was reported at ₱6.72 billion, 11% year-over-year increase from ₱6.03 billion of the same period last year.

Operating Expenses

Total operating expenses during the period amounted to ₱2.43 billion, a 28% y-o-y increase from ₱1.89 billion of the same period in 2023. The increase was mainly driven by commissions and incentives which grew by 9% to ₱808 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 6.76% 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.

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%

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 September 30, 2024, NIAT attributable to NCI saw a decrease from ₱653 million in 9M 2023 to ₱590 million. This decrease is due to the majority of revenue-generating projects being CLI projects.

ADOPTION OF PFRS 15

The period as of September 30, 2024 as well as the adjusted September 30, 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 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.

To ensure a fair comparison, it's 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 ON THE COMPANY'S FINANCIAL CONDITION

As of September 30, 2024, vs December 31, 2023

CLI's balance sheet remains steady and healthy to support construction and expansion plans. As of September 30, 2024, CLI reported total assets of ₱105 billion, an increase of 5% from ₱100 billion as of December 31, 2023 driven by progress in construction from sold units.

ASSETS

168% increase in Cash and Cash equivalents

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

415% increase in Receivables (including non-current portion)

Increased from ₱2.25 billion to ₱11.59 billion as a result of recently completed projects

8% decrease in Contract assets (including non-current portion)

from ₱45.09 billion to ₱41.28 billion primarily due to completed installment contracts

24% decrease in Real Estate Inventory

from ₱16.97 billion to ₱12.81 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 we reversed capitalized interest on these items.

6% increase in Due from related parties

Due to transactions paid by CLI (Parent) on behalf of its related parties from ₱48.60 million to ₱51.38 million

24% increase in Prepayments and other current assets

from ₱6.43 billion to ₱7.95 billion significantly due to increased prepaid commissions

18% increase in Property and Equipment

from ₱7.24 billion to ₱8.57 billion significantly due to CLI's expanding developments

2% decrease in Right of use asset

from ₱1.13 billion to ₱1.11 billion due to amortization of high-value leasehold rights

5% decrease in Investment Properties

from ₱18.33 billion to ₱17.34 billion due to reclassifications of some capital asset accounts

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

4% increase in interest-bearing loans and borrowings (including non-current portion) from ₱47.14 billion to ₱48.99 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

16% decrease in Trade Payables (including non-current portion) from 22.97 billion to ₱19.32 billion due to accruals made on unbilled costs to match with revenue recognized.

19% decrease in Contract Liabilities from ₱449.34 million to ₱291.86 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.

311% increase in Income Tax Payable from ₱2.21 million to ₱9.08 million due to the accrual of income tax due for the period.

1% increased Deferred tax liabilities - net from ₱5.04 billion to ₱5.09 billion due to additional accrual of net income for the 9M 2024.

EQUITY

17% increase in Parent Company's Retained Earnings from ₱9.67 billion in December 2023 to ₱11.28 due to the net income 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 September 30, 2024	YTD September 30, 2023 (As Restated)¹¹
Gross Profit Margin ¹	52%	53%
Net Income Margin ²	21%	22%
EBITDA ³	₱5.25 billion	₱5.52 billion
EBITDA Margin ⁴	37%	43%
Interest Coverage Ratio ⁵	6.30	4.28

	As of September 30, 2024	As of December 31, 2023
Return on Assets ⁶	4%	5%
Return on Equity (Parent) ⁷	22%	25%
Current Ratio ⁸	1.94	1.51
Net Debt to Equity Ratio ⁹	1.56	1.98

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*

9M 2023 net income includes a one-time recognition of other income related to transfer charges for real estate sales, attributed to take-out and title processing. After taking-out this one-time recognition of other income, the EBITDA Margin for the previous year stands at 42%, while the Net Income Margin is 21%.

The Company's gross profit margin is dependent on the mix of revenue during the period. During the first nine months of 2024, 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 21%.

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 September 30, 2024, 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 1.56x significantly due to the Company's current ratio projected ample liquidity at 1.94x.

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

KPIS SUBJECT OF LOAN COVENANTS

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

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

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

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

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

II. OTHER INFORMATION

ITEM 1 3rd QUARTER 2024 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 18, 2024, the Board declared a regular and special cash dividends amounting to ₱0.15 per share and ₱0.03 per share, totaling ₱624 million to common shareholders on record as of April 17, 2024 and was paid on May 3, 2024

On June 14, 2024, the Board of Directors declared cash dividends for Series A1 and Series A2 preferred shares, amounting to ₱18.96 and ₱20.63 per share, respectively for shareholders on record as of July 2, 2024. The payment was made on July 12, 2024.

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

As of September 30, 2024, the Company holds ownership interests in the following subsidiaries and associates:

<u>Entity</u>	<u>Effective Percentage of Ownership</u>	
	<u>2024</u>	<u>2023</u>
<i>Subsidiaries</i>		
CLI Premier Hotels Int'l. Inc. (CPH)	100	100
Cebu Landmasters Property Management, Inc. (CPM)	100	100
A.S. Fortuna Property Ventures, Inc. (ASF)	100	100
CLI Hotels and Resorts, Inc. (CHR)	100	100
CLI-LITE Panglao Inc. (CLI-LITE)	88	88
Ming-mori Development Corporation (MDC)	78	78
Sugbo Prime Estates (SPE)	64	64
BL CBP Ventures, Inc. (BL Ventures)	50	50
Yuson Excellence Soberano, Inc. (YES)	50	50
Yuson Huang Excellence Soberano, Inc. (YHES)	50	50
YHEST Realty and Development Corporation (YHEST)	50	50
CCLI Premier Hotels, Inc. (CCLI)	50	50
Cebu Homegrown Developers, Inc. (CHDI)	50	50
YHES Premier Hotels Inc. (YHESPH)	50	50
Cebu BL-Ramos Ventures, Inc. (CBLRV)	50	50
GGTT Realty Corporation (GGTT)	50	50

Mivesa Garden Residences, Inc. (MGR)	45	45
El Camino Developers Cebu, Inc. (El Camino)	35	35

Associates

CLI NUD Ventures, Inc. (NUD)	60	-
Iloilo Global City Corporation (IGCC)	43	43
Icom Air Corporation (ICOM)	33	33
Magspeak Nature Park, Inc. (Magspeak)	25	25

CLI Premier Hotels Int'l. Inc. 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.

Cebu Landmasters Property Management, Inc., 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. The commercial operations started 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.

A.S. Fortuna Property Ventures, Inc. was incorporated as a joint venture 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 at 10th Floor, Park Centrale Tower, Josemaria del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.

CLI Hotels and Resorts, Inc. 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. As at December 31, 2022, CHR has yet to start commercial operations.

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 at Cebu City.

Ming-mori Development Corporation 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. MDC 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-hectare techno-business park in the progressive town of Minglanilla, a mere 30 minutes away from Cebu City. The Company has subscribed to 20% in Ming-Mori Development Corporation.

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.

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

Yuson Excellence Soberano, Inc. was incorporated on December 15, 2016 to mark the Company's entry into the Davao market. It is a joint venture between the Company and Yuson Comm. Investments Inc. to undertake the development of MesaTierra Garden Residences. It will also engage in real estate brokering to facilitate the marketing and sale of the joint venture developments in Davao. Its principal office address is at Suite A, 204 Plaza De Luisa Complex, 140 R. Magsaysay Ave. in Davao City.

Yuson Huang Excellence Soberano, Inc. was incorporated on November 10, 2017 to develop the Paragon Davao 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 joint venture of CLI, Yuson Strategic Holdings Inc., and Davao Filandia Realty Corp. Its principal office is located at MesaTierra Garden Residences Showroom, E. Quirino Avenue in Davao City.

YHEST Realty and Development, Inc. was incorporated on August 10, 2018 to develop the Davao Global Township. YHEST Realty and Development is a joint venture 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 in Davao City.

CCLI Premier Hotels, Inc. 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.

Cebu Homegrown Developers, Inc., a joint venture of Aboitizland and CLI, was recently incorporated on December 5, 2019 to develop a high-rise mixed-use condominium complex in Mandaue City, Cebu. The Company has a 50% stake in CHDI.

YHES Premier Hotels Inc. 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. THE SPH has not yet started its commercial operations.

Cebu BL-Ramos Ventures, Inc. 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.

GGTT Realty Corporation 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. As of December 31, 2020, the transaction was accounted for by the Group as- an asset acquisition. In the first quarter of 2021, GGTT has started commercial operations, hence, was constituted as an acquisition of a business.

Mivesa Garden Residences, Inc. 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. Its principal office is located at 10th Floor, Park Centrale Tower, Josemaria del Mar St., Cebu IT Park, Brgy. Apas, Cebu City. CLI holds a 45% stake in MGR.

EL Camino Developers Cebu, Inc. was incorporated on August 15, 2016 to develop a 1.17-hectare property inside the Cebu IT Park. 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.

CLI NUD was incorporated on April 5, 2024 as an undertaking among CLI and NTT for the development of a condominium project in Cebu City. The principal place of business of is located at Cebu City;

Iloilo Global City Corporation (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 also is located in Iloilo City.

Icom Air Corporation was incorporated on December 7, 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.

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

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

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

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

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

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

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

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

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

Not Applicable

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

None

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

None

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

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

None

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

None

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

None

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

See Notes to Financial Statements and Management Discussion and Analysis.

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

None

O. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or

disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

None

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

None

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

None

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

None

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

None.

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

For the first nine months 2024, a total of ₱9.43Bn was spent, with the majority, or 72.5% for project development.

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

None

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

None

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

None

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

None

Y. Disclosures not made under SEC Form 17C

None

SIGNATURES

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

ISSUER

CEBU LANDMASTERS, INC.

PRINCIPAL ACCOUNTING OFFICER


Beauregard Grant L. Cheng
Chief Finance Officer

DATE

December 17 , 2024

SUBSCRIBED AND SWORN to before me, a notary public for and in the City of Cebu this DEC 17 2024, *Beauregard Grant Cheng* who is personally known to me and who signed the above *SEC Form 17-Q Quarterly Report* in my presence and swore as to said document that he understood the contents thereof and the same is his free and voluntary act and deed as well as the corporation represented therein.

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

Doc. No. : 389 ;

Page No.: 79 ;

Book No.: 11 ;

Series of : 2024 ;




ATTY. EDELINE O. COSICOL
Notary Public
Notarial Commission No. 040-23, Cebu City
Valid until December 31, 2024
Roll of Attorneys No. 82445
MCLE Compliance No. VIII-0000268, issued on 08-30-2022
PTR No. 1233820; 01-03-2024; Cebu
BP No. 385698 ; 01-02-2024; Cebu Chapter
15th Flr. Park Centrale Tower, J.M. Del Mar Blvd.,
Cebu IT Park, Anas, Cebu City

**STATEMENT OF MANAGEMENT APPROVAL
OF FINANCIAL STATEMENTS**

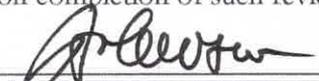
The management of Cebu Landmasters, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, including the schedules attached herein, for the quarter ended and nine months ended September 30, 2024 and 2023, 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 9th day of Dec 2024

SUBSCRIBED AND SWORN to before me this DEC 09 2024 at Cebu City, affiants exhibiting to me their respective Tax Identification Nos.

Doc. No. 382
Page No. 78
Book No. 44
Series of 2024


ATTY. FLORELINO S. EDIZA
Notary Public for Cebu City
Roll of Attorneys No. 56919
Commission No. 023-19 Until 31 December 2024
EDIZA LAW OFFICE
The Company 6th Floor Mabuhay Tower, IT Park, Apas, Cebu City
IEP No. 29584 for 2024, 12/27/23, Cebu
PTR No. 233320 for 2024, 12/27/23, Cebu
MCLE Compliance No. VII-004880 Valid until April 14, 2025



P&A
Grant Thornton

FOR SEC FILING

Report on Review of
Condensed Consolidated
Interim Financial Statements

Cebu Landmasters, Inc. and Subsidiaries

For the Nine Months Ended September 30, 2024 and 2023
(With Comparative Figures as of December 31, 2023)



Securities and Exchange Commission
Ground Floor, Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City 1307

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

T +63 2 8988 2288

December 9, 2024

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Markets and Securities Regulation Department

Re: **Cebu Landmasters, Inc.**

Gentlemen:

We refer to the Registration Statement and Preliminary Prospectus of CEBU LANDMASTERS, INC. and SUBSIDIARIES (the "Group") (the "Registration Statement") filed by the Group with the Securities and Exchange Commission in connection with its planned public offer, sale, and issuance of the Philippine Peso-denominated Sustainability-Linked Bonds (the Offer).

With respect to the Registration Statement, we acknowledge that we are aware of the use of the (a) audited consolidated financial statements of the Group as at and for the years ended December 31, 2023, 2022 and 2021, excluding the restatement adjustments in relation to the adoption of the deferred provisions of PFRS 15, and (b) unaudited interim condensed consolidated financial statements of the Group as at and for the nine months ended September 30, 2024 and 2023 for the purpose of the Group's Offer application. We are aware that such audited consolidated financial statements and unaudited interim condensed consolidated financial statements of the Group will be included in the Registration Statement to be filed with the Securities and Exchange Commission.

PUNONBAYAN & ARAULLO

By: **Renan A. Piamonte**
Partner

Report on Review of Condensed Consolidated Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Cebu Landmasters, Inc. and Subsidiaries (collectively referred to herein as the Group) as at September 30, 2024, and the related condensed consolidated interim statements of profit or loss, condensed consolidated interim statements of comprehensive income, condensed consolidated interim statements of changes in equity and condensed consolidated interim statements of cash flows for the nine months ended September 30, 2024 and 2023, and a summary of selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the condensed consolidated interim financial position of the Group as at September 30, 2024 and of its condensed consolidated interim financial performance and its condensed consolidated interim cash flows for the nine months ended September 30, 2024 and 2023 in accordance with PAS 34.

Emphasis of Matter

We draw attention to Note 2 to the condensed consolidated interim financial statements, which discusses the adoption and impact of the deferred provisions of Philippine Financial Reporting Standard (PFRS) 15, *Revenue from Contracts with Customers*. Our conclusion is not qualified in respect of this matter.

Other Matter

We have previously audited the 2023 consolidated financial statements of the Group prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the Securities and Exchange Commission, including the consolidated statement of financial position as of December 31, 2023 but excluding the restatement adjustments in relation to the adoption of the deferred provisions of PFRS 15, which is presented herein for comparative purposes, and on which we have rendered our report dated April 10, 2024.

This report has been prepared solely for the inclusion in the prospectus prepared by the Group in connection with its planned public offer, sale, and issuance of Philippine Peso-denominated Sustainability-Linked Bonds and for no other purpose.

PUNONGBAYAN & ARAULLO



By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10076150, January 3, 2024, Makati City
BIR AN 08-002511-037-2022 (until Oct. 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until Aug. 12, 2027)

December 9, 2024

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024
(With Comparative Figures as of December 31, 2023)
(Amounts in Philippine Pesos)

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (As Restated - see Note 2)
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	4	P 2,447,932,244	P 913,841,206
Receivables - net	5	9,607,944,620	2,093,139,231
Contract assets - net	16	24,200,439,959	26,225,182,718
Real estate inventories	6	12,814,947,293	16,966,118,195
Due from related parties	21	51,378,201	48,596,767
Deposits on land for future development		-	15,000,000
Prepayments and other current assets	7	7,952,182,823	6,434,166,661
		57,074,825,140	52,696,044,778
Non-current asset classified as held for sale	7, 8	237,832,343	-
Total Current Assets		57,312,657,482	52,696,044,778
NON-CURRENT ASSETS			
Receivables - net	5	1,981,878,006	156,093,837
Contract assets - net	16	17,075,822,117	18,868,803,692
Investments in associates	8	397,649,817	142,489,432
Property and equipment - net	9	8,565,929,911	7,241,895,672
Right-of-use assets	10	1,105,529,298	1,129,605,407
Investment properties - net	11	17,337,940,633	18,334,014,653
Other non-current assets - net	12	1,254,635,124	1,789,963,392
Total Non-current Assets		47,719,384,906	47,662,866,085
TOTAL ASSETS		P 105,032,042,388	P 100,358,910,863
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	13	P 9,830,011,600	P 11,567,153,371
Trade and other payables	15	19,124,252,830	22,780,790,598
Contract liabilities	16	291,860,725	449,338,207
Customers' deposits		190,109,736	144,003,765
Lease liabilities	10	37,209,838	55,717,884
Income tax payable		9,077,767	2,210,977
Total Current Liabilities		29,482,522,496	34,999,214,802
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	13	34,202,179,491	30,621,692,365
Bonds payable	14	4,960,509,174	4,947,822,521
Trade and other payables	15	199,631,126	185,420,132
Lease liabilities	10	1,238,279,626	1,207,138,171
Post-employment defined benefit obligation		10,395,914	10,395,914
Deferred tax liabilities - net		5,086,349,505	5,038,892,235
Total Non-current Liabilities		45,697,344,836	42,011,361,338
Total Liabilities		75,179,867,332	77,010,576,140
EQUITY			
Equity attributable to shareholders of the Parent Company	22	20,046,804,347	14,151,791,986
Non-controlling interests		9,805,370,709	9,196,542,737
Total Equity		29,852,175,056	23,348,334,723
TOTAL LIABILITIES AND EQUITY		P 105,032,042,388	P 100,358,910,863

See Notes to Condensed Consolidated Interim Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2024		2023 (As Restated - see Note 2)	
		July 1 to September 30	January 1 to September 30	July 1 to September 30	January 1 to September 30
REVENUES	16				
Sale of real estate		P 2,444,642,772	P 12,460,053,274	P 3,304,906,411	P 11,309,694,050
Interest income from real estate sales		234,334,330	1,344,037,680	389,981,172	1,394,688,913
Hotel operations		62,585,967	148,824,305	41,510,501	98,169,696
Rental		42,631,305	113,550,314	27,316,827	77,320,899
Management fees		15,034,944	45,861,487	15,633,928	46,478,655
		<u>2,799,229,318</u>	<u>14,112,327,060</u>	<u>3,779,348,839</u>	<u>12,926,352,213</u>
COST OF SALES AND SERVICES	17	(862,169,175)	(6,715,251,867)	(1,295,244,122)	(6,033,530,769)
GROSS PROFIT		1,937,060,143	7,397,075,193	2,484,104,717	6,892,821,444
OPERATING EXPENSES	18	(807,913,710)	(2,425,373,811)	(608,274,322)	(1,892,829,759)
OTHER OPERATING INCOME		67,885,694	235,304,857	77,661,114	348,902,576
OPERATING PROFIT		1,197,032,127	5,207,006,239	1,953,491,509	5,348,894,261
FINANCE COSTS	19	(291,058,382)	(1,331,404,470)	(540,773,198)	(1,554,047,686)
FINANCE INCOME		6,792,119	15,819,124	6,489,814	7,915,785
SHARE IN NET LOSS OF ASSOCIATES		(272,163)	(8,464,237)	(249,781)	(5,803,037)
IMPAIRMENT LOSS ON FINANCIAL ASSETS		-	-	-	(405,079)
OTHER LOSSES		348,221	(1,893,794)	(1,438,782)	(3,675,024)
PROFIT BEFORE TAX		912,841,922	3,881,062,862	1,417,519,562	3,792,879,220
TAX EXPENSE	20	(214,748,129)	(967,867,135)	(377,051,921)	(959,837,888)
NET PROFIT		<u>P 698,093,793</u>	<u>P 2,913,195,727</u>	<u>P 1,040,467,641</u>	<u>P 2,833,041,332</u>
Net profit attributable to:					
Parent Company's shareholders		P 621,119,954	P 2,323,260,299	P 809,116,017	P 2,179,748,901
Non-controlling interests		<u>76,973,840</u>	<u>590,077,972</u>	<u>231,351,624</u>	<u>653,292,431</u>
		<u>P 698,093,794</u>	<u>P 2,913,338,271</u>	<u>P 1,040,467,641</u>	<u>P 2,833,041,332</u>
Earnings per share:*					
Basic and diluted	23	<u>P 0.21</u>	<u>P 0.67</u>	<u>P 0.23</u>	<u>P 0.63</u>

*See Note 22 for dividends per share information.

See Notes to Condensed Consolidated Interim Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	Note	2024		2023 (As Restated - see Note 2)	
		July 1 to September 30	January 1 to September 30	July 1 to September 30	January 1 to September 30
NET PROFIT		P 698,093,793	P 2,913,195,727	P 1,040,467,641	P 2,833,041,332
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME		<u>P 698,093,793</u>	<u>P 2,913,195,727</u>	<u>P 1,040,467,641</u>	<u>P 2,833,041,332</u>
Total comprehensive income attributable to:					
Parent Company's shareholders		P 621,119,954	P 2,323,260,299	P 709,108,310	P 2,179,748,901
Non-controlling interests	22	<u>76,973,840</u>	<u>590,077,972</u>	<u>204,049,733</u>	<u>653,292,431</u>
		<u>P 698,093,794</u>	<u>P 2,913,338,271</u>	<u>P 913,158,043</u>	<u>P 2,833,041,332</u>

See Notes to Condensed Consolidated Interim Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Shareholders of the Parent Company										Non-controlling Interests (See Note 22)	Total
	Capital Stock (see Note 22)		Additional Paid-in Capital	Treasury Stock	Share Options Outstanding	Revaluation Reserves	Retained Earnings (See Note 22)			Total		
	Common	Preferred					Appropriated	Unappropriated	Total			
Balance at January 1, 2024	P 3,623,451,997	P -	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
As previously reported	-	-	-	-	-	-	-	(2,299,610,287)	(2,299,610,287)	(2,299,610,287)	(148,811,526)	(2,448,421,813)
Effects of restatement - see Note 2	3,623,451,997	-	1,608,917,974	(732,664,604)	4,311,977	(18,288,224)	6,914,803,006	2,751,259,860	9,666,062,866	14,151,791,986	9,196,542,737	23,348,334,723
As restated												
Transactions with owners												
Issuance of preferred shares	-	4,280,340	4,276,059,660	-	-	-	-	-	-	4,280,340,000	-	4,280,340,000
Cash dividends	-	-	-	-	-	-	-	(708,587,938)	(708,587,938)	(708,587,938)	(13,750,000)	(722,337,938)
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	32,500,000	32,500,000
	-	4,280,340	4,276,059,660	-	-	-	-	(708,587,938)	(708,587,938)	3,571,752,062	18,750,000	3,590,502,062
Reversal of appropriations during the period	-	-	-	-	-	-	(2,710,828,715)	2,710,828,715	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	2,323,260,299	2,323,260,299	2,323,260,299	590,077,972	2,913,338,271
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2024	<u>P 3,623,451,997</u>	<u>P 4,280,340</u>	<u>P 5,884,977,634</u>	<u>(P 732,664,604)</u>	<u>P 4,311,977</u>	<u>(P 18,288,224)</u>	<u>P 4,203,974,291</u>	<u>P 7,076,760,936</u>	<u>P 11,280,735,227</u>	<u>P 20,046,804,347</u>	<u>P 9,805,370,709</u>	<u>P 29,852,175,056</u>
Balance at January 1, 2023	P 3,623,451,997	P -	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
As previously reported	-	-	-	-	-	-	-	(1,433,985,921)	(1,433,985,921)	(1,433,985,921)	(98,074,059)	(1,532,059,980)
Effects of restatement - see Note 2	3,623,451,997	-	1,608,917,974	(732,664,604)	2,195,991	(13,910,501)	3,931,475,893	3,648,110,484	7,579,586,377	12,067,577,234	7,412,977,679	19,480,554,913
As restated												
Transactions with owners												
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	774,500,000	774,500,000
Cash dividends	-	-	-	-	-	-	-	(623,736,264)	(623,736,264)	(623,736,264)	(103,980,000)	(727,716,264)
	-	-	-	-	-	-	-	(623,736,264)	(623,736,264)	(623,736,264)	670,520,000	46,783,736
Reversal of appropriations during the period	-	-	-	-	-	-	(3,117,454,606)	3,117,454,606	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	2,179,748,901	2,179,748,901	2,179,748,901	653,292,431	2,833,041,332
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2023	<u>P 3,623,451,997</u>	<u>P -</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 814,021,287</u>	<u>P 8,321,577,727</u>	<u>P 9,135,599,014</u>	<u>P 13,623,589,871</u>	<u>P 8,736,790,110</u>	<u>P 22,360,379,981</u>

See Notes to Condensed Consolidated Interim Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2024		2023 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 3,881,062,862	P	3,792,879,220
Adjustments for:				
Interest expense on interest-bearing loans	19	1,186,676,773		1,388,298,201
Depreciation and amortization	18	143,637,111		134,725,936
Interest expense on lease liabilities	19	61,626,716		59,845,987
Amortization of debt issuance cost	19	52,687,393		54,484,013
Interest expense on bonds	19	34,001,807		47,561,821
Interest income	4	(14,795,090 )	(	7,539,010)
Share in net losses of associates	8	8,464,237		5,803,037
Loss (gain) on sale of property and equipment	9	(1,355,382 )	(	405,079
Impairment loss on financial assets		-		17,410
Operating profit before working capital changes		5,352,006,427		5,476,481,694
Decrease (increase) in receivables		(9,340,589,558 )	(	1,271,025,545
Decrease (increase) in contract assets		3,512,720,512	(	8,965,945,730)
Decrease in real estate inventories		5,451,613,589		1,840,116,254
Increase in deposits on land for future development		-	(	349,502,459)
Increase in prepayments and other current assets		(1,928,319,764 )	(	1,697,556,829)
Decrease in other non-current assets		533,262,929		274,346,098
Increase (decrease) in trade and other payables		(605,186,575 )	(	2,404,322,275
Decrease in contract liabilities		(157,477,482 )	(	118,372,861)
Increase in customers' deposits		46,105,971		27,494,051
Decrease in post-employment defined benefit obligation		-	(	6,919,362)
Cash generated from operations		2,864,136,049		155,488,676
Cash paid for taxes		(503,096,931 )	(	291,092,472)
Net Cash From (Used in) Operating Activities		<u>2,361,039,118</u>	(	<u>135,603,796</u>)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment properties	11	(1,969,349,838 )	(	1,247,233,276)
Acquisitions of property and equipment	9	(1,368,153,588 )	(	1,559,995,693)
Additions to investments in associates	8	(501,456,965 )	(	5,000,000)
Interest received		14,795,090		7,539,010
Acquisitions of computer software	12	(3,447,006 )	(	1,417,562)
Proceeds from sale of property and equipment	9	1,381,391		489,706
Collections of advances to related parties	21	156,466		-
Advances made to related parties	21	(2,781,434 )	(	20,196,683)
Net Cash Used in Investing Activities		<u>(3,828,855,884 )</u>	(	<u>2,825,814,498</u>)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from availment of interest-bearing loans	13	12,797,563,507		9,491,374,309
Repayments of interest-bearing loans	13	(11,053,618,771 )	(	4,406,649,207)
Proceeds from issuance of preferred shares	22	4,280,340,000		-
Interest paid on interest-bearing loans	13	(2,109,627,121 )	(	1,953,472,371)
Cash dividends paid	22	(722,337,938 )	(	727,716,264)
Interest paid on bonds	13	(168,742,526 )	(	253,113,789)
Interest paid on lease liabilities	10	(54,169,347 )	(	50,531,750)
Additional investment from non-controlling shareholders	22	32,500,000		774,500,000
Net Cash From Financing Activities		<u>3,001,907,804</u>		<u>2,874,390,928</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,534,091,038	(	87,027,366)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>913,841,206</u>		<u>1,434,559,762</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>P 2,447,932,244</u>	<u>P</u>	<u>1,347,532,396</u>

Supplemental Information on Non-cash Investing and Financing Activities:

- 1) In 2024 and 2023, the Group reclassified investment properties totaling P1,118,537,997 and P1,219,095,095, respectively, to real estate inventories (see Note 11).
- 2) In 2024 and 2023, borrowing costs that were capitalized as part of Property and Equipment and Investment Properties totaled to P1,405,954,964 and P557,984,004, respectively (see Notes 9 and 11).
- 3) In 2024, the Group classified its investment in associate with carrying amount of P237,832,343 as Non-current Asset Classified as Held for Sale (see Note 8).
- 4) In 2024, the Group recognized right-of-use assets and lease liabilities amounting to P5,176,040 and none for 2023 (see Note 10).

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023
(With Comparative Audited Figures as of December 31, 2023)
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

1.1 General

Cebu Landmasters, Inc. (the Parent Company or CLI) was incorporated in the Philippines and registered with the 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 portfolios include condominium and subdivision for residence, mixed-use properties, townships, hotels and resorts, offices, and co-living.

The Parent Company is a subsidiary of A B Soberano Holdings Corp. (ABS). ABS is a holding company and is incorporated and domiciled in the Philippines. 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 September 2, 2017.

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 and Associates

CLI holds ownership interests in the following subsidiaries and associates:

Entity	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%

(Forward)

Entity	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>			
CLI NUD Ventures, Inc. (CLI NUD)	(s)	60%	-
Iloilo Global City Corporation (IGCC)	(t)	43%	43%
ICOM Air Corporation (ICOM)	(u)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(v)	25%	25%

CLI and its subsidiaries (collectively referred as “the Group”), and associates are all incorporated in the Philippines. The subsidiaries and associates, except CPM, CPH, CCLI, ICOM and YHESPH, are in the same line of business with CLI. A brief description of these entities follows:

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of the 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 the 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.
- (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) CLI NUD was incorporated on April 5, 2024 with its principal place of business is also located in Cebu City. This is presented as part of Non-current Asset Held for Sale (NCAHFS) in the condensed consolidated interim financial position. As at September 30, 2024, CLI NUD has yet to start commercial operations (see Note 8).
- (t) 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.
- (u) 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.
- (v) 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.

1.3 Approval of Issuance of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements of the Group as at and for the nine months ended September 30, 2024 (including the comparative condensed interim financial statements for the nine months ended September 30, 2023 and audited consolidated statement of financial position as of December 31, 2023), were authorized for issue by the BOD on December 9, 2024.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. This condensed consolidated interim financial information do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2023, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as restated in these condensed consolidated interim financial statements.

The condensed consolidated interim financial information is presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

2.2 Material Accounting Policy Information

The Group's condensed consolidated interim financial information has been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended December 31, 2023), as restated in these condensed consolidated interim financial statements.

During the year, the Company adopted the deferred provisions of PFRS 15, *Revenue from Contracts with Customers* and the related issuances of the Philippine Interpretations Committee. The adoption resulted in no capitalization of borrowing costs on unsold real estate inventories and the accounting of the significant financing component in a contract to sell.

The Group has decided to apply the full retrospective approach.

The table below shows the effects of the adoption of the deferred provisions of PFRS 15 in the condensed consolidated interim statements of financial position as of December 31, 2023 and January 1, 2023.

	As Previously Reported <u>(Audited)</u>	Restatement <u>(Unaudited)</u>	As Restated <u>(Unaudited)</u>
<u>As of January 1, 2023</u>			
<i>Change in assets:</i>			
Real estate inventories	P 18,309,208,981	(P 1,116,118,437)	P17,193,090,544
<i>Changes in liabilities:</i>			
Deferred tax liabilities - net	(3,031,961,340)	(<u>415,941,543</u>)	(3,447,902,884)
Impact on net assets		(P <u>1,532,059,980</u>)	
<i>Changes in equity:</i>			
Equity attributable to shareholders of the Parent Company	13,501,563,155	(1,433,985,921)	12,067,577,234
Non-controlling interests	7,511,051,738	(<u>98,074,059</u>)	7,412,977,679
Impact on net assets		(P <u>1,532,059,980</u>)	
<u>As of December 31, 2023</u>			
<i>Change in assets:</i>			
Real estate inventories	P 18,693,496,246	(P 1,727,378,051)	P16,966,118,195
<i>Change in liabilities:</i>			
Deferred tax liabilities - net	(4,317,848,473)	(<u>721,043,762</u>)	(5,038,892,235)
Impact on net assets		(P <u>2,448,421,813</u>)	
<i>Change in equity:</i>			
Equity attributable to shareholders of the Parent Company	16,451,402,273	(2,299,610,287)	14,151,791,986
Non-controlling interests	9,345,354,263	(<u>148,811,526</u>)	9,196,542,737
Impact on net assets		(P <u>2,448,421,813</u>)	

The effects of the restatement in the consolidated statements of profit or loss and consolidated statements of comprehensive income for the quarter and nine months ended September 30, 2023 are summarized as follows:

	<u>As Previously Reported (Unaudited)</u>	<u>Restatement (Unaudited)</u>	<u>As Restated (Unaudited)</u>
<u>For the quarter ended September 30, 2023</u>			
<i>Changes in net profit & total comprehensive income:</i>			
Sale of real estate	P 3,694,887,583	(P 389,981,172)	P 3,304,906,411
Interest income from real estate sales	-	389,981,172	389,981,172
Cost of sales and services	(1,811,388,042)	516,143,920	(1,295,244,122)
Finance costs	(194,085,339)	(346,687,859)	(540,773,198)
Tax expense	(334,905,458)	<u>(42,146,463)</u>	(377,051,921)
		<u>(P 127,309,598)</u>	
Net profit attributable to:			
Parent's Company Shareholders	709,108,310	100,007,707	809,116,017
Non-controlling Interests	204,049,733	<u>27,301,891</u>	231,351,624
		<u>P 127,309,598</u>	
Earnings per share Basic and diluted	0.21		0.23
<u>For the nine months ended September 30, 2023</u>			
<i>Changes in net profit & total comprehensive income:</i>			
Sale of real estate	P 12,704,382,963	(P 1,394,688,913)	P11,309,694,050
Interest income from real estate sales	-	1,394,688,913	1,394,688,913
Cost of sales and services	(6,790,429,813)	756,899,044	(6,033,530,769)
Finance costs	(536,793,057)	(1,017,254,629)	(1,554,047,686)
Tax expense	(1,025,144,337)	<u>65,306,449</u>	(959,837,888)
		<u>P 195,049,136</u>	
Net profit attributable to:			
Parent's Company Shareholders	2,391,775,055	(212,026,154)	2,179,748,901
Non-controlling Interests	636,315,413	<u>16,977,018</u>	653,292,431
		<u>(P 195,049,136)</u>	
Earnings per share Basic and diluted	0.69		0.63

The effects of the restatement in the condensed consolidated interim statement of cash flows for the nine months ended September 30, 2023 are summarized as follows:

	As Previously Reported <u>(Unaudited)</u>	Restatement <u>(Unaudited)</u>	As Restated <u>(Unaudited)</u>
<i>Changes in cash flows from Operating activities:</i>			
Profit before tax	P 4,053,234,805	(P 260,355,585)	P 3,792,879,220
Adjustment for interest expense on interest-bearing loans	371,043,573	1,017,254,629	1,388,298,201
Decrease in real estate inventories	2,597,015,298	<u>(756,899,044)</u>	1,840,116,254
		<u>P -</u>	

Non-current asset held for sale are measured at the lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value less costs to sell.

2.3 Estimates and Judgments

When preparing the condensed consolidated interim financial information, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the condensed consolidated interim financial information, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended December 31, 2023 and the estimation uncertainty in relation to the adoption of the deferred provisions of PFRS 15.

3. SEGMENT INFORMATION

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 tables below present revenue and profit information regarding industry segments for the nine months ended September 30, 2024 and 2023, and certain assets and liabilities information regarding segments as at September 30, 2024 and December 31, 2023.

	2024 (Unaudited)					
	Real Estate	Rental	Management Services	Hotel Operations	Elimination	Total
REVENUES						
Sale to external customer	P 13,804,090,954	P 113,550,314	P 45,861,487	P 148,824,305	P -	P 14,112,327,060
Intersegment sales	-	8,415,203	138,710,664	-	(147,125,867)	-
Total revenues	<u>13,804,090,954</u>	<u>121,965,517</u>	<u>184,572,151</u>	<u>148,824,305</u>	<u>(147,125,867)</u>	<u>14,112,327,060</u>
COSTS AND EXPENSES						
Costs of sales and services	6,551,286,178	65,195,892	30,172,692	68,597,105	-	6,715,251,867
Operating expenses	<u>2,378,694,480</u>	<u>9,531,605</u>	<u>12,108,459</u>	<u>203,808,134</u>	<u>(178,768,867)</u>	<u>2,425,373,811</u>
Total costs and expenses	<u>8,929,980,658</u>	<u>74,727,497</u>	<u>42,281,151</u>	<u>272,405,239</u>	<u>(178,768,867)</u>	<u>9,140,625,678</u>
SEGMENT RESULTS	<u>P 4,874,110,296</u>	<u>P 47,238,020</u>	<u>P 142,291,000</u>	<u>(P 123,580,934)</u>	<u>P 31,643,000</u>	<u>4,971,701,382</u>
Other operating income						235,304,857
Finance costs						(1,331,404,470)
Finance income						15,819,124
Share in net loss of associate						(8,464,237)
Other losses						(1,893,794)
Tax expense						(967,867,135)
NET PROFIT						<u>P 2,913,195,727</u>
ASSETS AND LIABILITIES						
Segment assets	P95,689,102,059	P 17,115,265,399	P 145,674,030	P 3,557,050,898	(P 11,475,049,998)	<u>P 105,032,042,388</u>
Segment liabilities	P68,015,224,041	P 76,716,906	P 104,061,864	P 3,139,435,742	(P 1,241,920,725)	<u>P 70,093,517,827*</u>
<i>*Excluding Deferred tax liabilities - net</i>						
	2023 (As Restated - see Note 2)					
	Real Estate	Rental	Management Services	Hotel Operations	Elimination	Total
REVENUES						
Sale to external customer	P 12,704,382,963	P 77,320,899	P 46,478,655	P 98,169,696	P -	P 12,926,352,213
Intersegment sales	(250,714)	11,341,012	122,019,132	-	(133,109,430)	-
Total revenues	<u>12,704,132,249</u>	<u>88,661,911</u>	<u>168,497,787</u>	<u>98,169,696</u>	<u>(133,109,430)</u>	<u>12,926,352,213</u>
COSTS AND EXPENSES						
Costs of sales and services	5,907,877,507	64,888,144	21,929,417	38,835,701	-	6,033,530,769
Operating expenses	1,923,910,024	6,610,089	14,534,339	90,614,278	(142,838,971)	1,892,829,759
Impairment loss	<u>402,197</u>	<u>2,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,079</u>
Total costs and expenses	<u>7,832,189,728</u>	<u>71,501,115</u>	<u>36,463,756</u>	<u>129,449,979</u>	<u>(142,838,971)</u>	<u>7,926,765,607</u>
SEGMENT RESULTS	<u>P 4,871,942,521</u>	<u>P 17,160,796</u>	<u>(P 132,034,031)</u>	<u>P 31,280,283</u>	<u>P 9,729,541</u>	<u>4,999,586,606</u>
Other operating income						348,902,576
Finance costs						(1,554,047,686)
Finance income						7,915,785
Share in net loss of associate						(5,803,037)
Other losses						(3,675,024)
Tax expense						(959,837,888)
NET PROFIT						<u>P 2,833,041,332</u>
ASSETS AND LIABILITIES						
Segment assets	P88,941,819,433	P 17,878,040,923	P 81,600,585	P 2,862,336,277	(P 9,404,886,355)	<u>P 100,358,910,863</u>
Segment liabilities	P70,284,445,155	P 55,705,079	P 65,135,742	P 2,510,522,058	(P 944,124,129)	<u>P 71,971,683,905*</u>
<i>*Excluding Deferred tax liabilities - net</i>						

The real estate segment is further analyzed based on their geographical location as shown in Note 16.1. Most of the rental and management services segments are located in Cebu City with contributions from some other parts of Visayas and Mindanao.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at:

	September 30, 2024	December 31, 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash on hand	P 10,695,780	P 4,365,735
Cash in banks	2,426,964,020	864,263,028
Short-term placements	<u>10,272,444</u>	<u>45,212,443</u>
	<u>P2,447,932,244</u>	<u>P 913,841,206</u>

Interest income earned from cash and cash equivalents amounted to P14,795,090 and P7,539,010 in September 30, 2024 and 2023, respectively, are presented as part of Finance Income in the condensed consolidated interim statements of profit or loss.

5. RECEIVABLES

This account includes the following:

	<u>Notes</u>	September 30, 2024	December 31, 2023
		<u>(Unaudited)</u>	<u>(Audited)</u>
Contract receivables:			
Third parties		P 9,639,916,009	P1,548,388,979
Related parties	21.2, 21.3	<u>1,120,954,534</u>	<u>685,584</u>
		10,760,870,543	1,549,074,563
Retention receivable		199,282,139	132,973,570
Receivable from contractors and suppliers		181,543,736	156,616,742
Management fee receivable		139,508,785	111,340,567
Rent receivable		95,411,331	71,548,690
Advances to officers and employees		48,723,323	37,927,664
Receivable from hotel operations customers		26,538,309	8,510,578
Receivable from insurance		7,399,036	77,373,832
Other receivables		<u>132,787,686</u>	<u>106,109,124</u>
		11,592,064,888	2,251,475,330
Allowance for impairment		<u>(2,242,262)</u>	<u>(2,242,262)</u>
		<u>P11,589,822,626</u>	<u>P2,249,233,068</u>

Receivables are presented in the condensed consolidated statements of financial position as follows:

	September 30, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Current	P9,607,944,620	P2,093,139,231
Non-current	<u>1,981,878,006</u>	<u>156,093,837</u>
	<u>P11,589,822,626</u>	<u>P2,249,233,068</u>

6. REAL ESTATE INVENTORIES

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

	September 30, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(As Restated - see Note 2)</u>
Subdivision units	P 410,348,044	P 470,257,538
Condominium units	<u>432,566,949</u>	<u>400,467,121</u>
	<u>842,914,993</u>	<u>870,724,659</u>
Construction-in-progress:		
Land development costs	4,032,814,693	1,041,180,366
Condominium building costs	4,148,463,003	9,934,418,088
Housing costs	<u>1,159,468,577</u>	<u>4,453,224,922</u>
	<u>9,340,746,273</u>	<u>15,428,823,376</u>
Raw land inventory	<u>2,631,286,027</u>	<u>666,570,159</u>
	<u>P 12,814,947,293</u>	<u>P16,966,118,195</u>

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.

In 2024 and 2023, the Group reclassified investment properties totaling P1,118,537,997 and P1,219,095,095, respectively, to real estate inventories (see Note 11).

As at September 30, 2024 and December 31, 2023, real estate inventories totaling P8,430,944,323 and P7,794,550,414, respectively, are used as collateral for certain interest bearing loans and borrowings of the Parent Company (see Note 13.1).

7. OTHER ASSETS

7.1 Prepayments and Other Current Assets

This account includes the following:

	September 30, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Deferred commissions	P2,582,061,669	P1,645,513,898
Advances to subcontractors	2,396,251,110	1,979,370,709
Input VAT and deferred input VAT	1,925,154,781	1,555,489,960
Advances to suppliers	566,296,062	200,838,362
Short-term investments	313,814,857	454,631,300
Prepaid expenses	112,672,208	51,509,612
Prepaid taxes	44,327,697	537,191,493
Others	<u>11,604,439</u>	<u>9,621,327</u>
	<u>P7,952,182,823</u>	<u>P6,434,166,661</u>

In 2024 and 2023, the Group expensed deferred commissions of P807,860,537 and P742,532,603, respectively, based on the percentage of completion of its related real estate project and is presented as Commissions under Operating Expenses in the condensed consolidated interim statements of profit or loss (see Note 18).

7.2 Non-current Asset Held for Sale

The Parent Company has a committed plan to sell its 30% shares held in CLI NUD amounting to P237,832,343. This is presented as Non-current Asset Held for Sale in the 2024 condensed consolidated interim financial statements.

8. INVESTMENTS IN ASSOCIATES

A reconciliation of the carrying amounts of investments in associates at the beginning and end of 2024 and 2023 is shown below.

	Note	September 30, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Balance at beginning of period		P 142,489,432	P 133,559,576
Additional investments		501,456,965	21,500,000
Reclassification to NCAHFS	7	(237,832,343)	-
Share in net loss during the period		<u>(8,464,237)</u>	<u>(12,570,144)</u>
Balance at end of period		<u>P 397,649,817</u>	<u>P 142,489,432</u>

Shares in net losses of associates totaling P8,464,237 and P5,803,037 were recognized for the nine months ending September 30, 2024 and 2023, respectively, in the condensed consolidated interim statements of profit or loss.

9. PROPERTY AND EQUIPMENT

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

	Land	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixture	Leasehold Improvements	Construction in Progress	Total
UNAUDITED								
September 30, 2024								
Cost	P 359,058,133	P 556,587,951	P 132,631,048	P 66,290,614	P 49,963,403	P 14,587,797	P 7,727,982,716	P 8,907,101,662
Accumulated depreciation and amortization	-	(162,196,253)	(83,008,544)	(48,526,639)	(37,368,568)	(10,071,747)	-	(341,171,751)
Net carrying amount	<u>P 359,058,133</u>	<u>P 394,391,698</u>	<u>P 49,622,504</u>	<u>P 17,763,975</u>	<u>P 12,594,835</u>	<u>P 4,516,050</u>	<u>P 7,727,982,716</u>	<u>P 8,565,929,911</u>
AUDITED								
December 31, 2023								
Cost	P 359,058,133	P 512,706,244	P 125,131,130	P 60,827,521	P 50,499,782	P 14,587,797	P 6,420,474,335	P 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>P 359,058,133</u>	<u>P 370,574,327</u>	<u>P 55,383,602</u>	<u>P 13,060,778</u>	<u>P 17,347,612</u>	<u>P 5,996,885</u>	<u>P 6,420,474,335</u>	<u>P 7,241,895,672</u>
January 1, 2023								
Cost	P 359,058,133	P 401,375,877	P 11,382,859	P 57,015,172	P 40,459,135	P 14,547,842	P 4,077,078,853	P 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>P 359,058,133</u>	<u>P 284,106,605</u>	<u>P 58,304,533</u>	<u>P 14,729,206</u>	<u>P 12,526,702</u>	<u>P 7,928,418</u>	<u>P 4,077,078,853</u>	<u>P 4,813,732,450</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the reporting periods is shown as follows:

	Land	Building and Parking Units	Office Equipment	Transportation Equipment	Furniture and Fixture	Leasehold Improvements	Construction in Progress	Total
Balance at January 1, 2024 net of accumulated depreciation and amortization								
	P 359,058,133	P 370,574,327	P 55,383,602	P 13,060,778	P 17,347,612	P 5,996,885	P 6,420,474,335	P 7,241,895,672
Additions	-	7,222,427	7,731,356	9,151,910	2,401,521	-	1,341,646,374	1,368,153,588
Disposals	-	-	(231,438)	(3,688,817)	-	-	-	(3,920,255)
Reclassification	-	36,659,280	-	-	(2,937,900)	-	(34,137,993)	(416,613)
Depreciation and amortization for the period	-	(20,064,336)	(13,466,446)	(4,448,713)	(4,216,398)	(1,480,835)	-	(43,676,728)
Balance at September 30, 2024 net of accumulated depreciation and amortization (unaudited)	<u>P 359,058,133</u>	<u>P 394,391,698</u>	<u>P 49,622,504</u>	<u>P 17,763,975</u>	<u>P 12,594,835</u>	<u>P 4,516,050</u>	<u>P 7,727,982,716</u>	<u>P 8,565,929,911</u>
Balance at January 1, 2023 net of accumulated depreciation and amortization								
	P 359,058,133	P 284,106,605	P 58,304,533	P 14,729,206	P 12,526,702	P 7,928,418	P 4,077,078,853	P 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
Disposals	-	-	(33,884)	(547,321)	-	-	-	(581,205)
Reclassification	-	13,583,203	-	-	-	-	-	13,583,203
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 (audited)	<u>P 359,058,133</u>	<u>P 370,574,327</u>	<u>P 55,383,602</u>	<u>P 13,060,778</u>	<u>P 17,347,612</u>	<u>P 5,996,885</u>	<u>P 6,420,474,335</u>	<u>P 7,241,895,672</u>

The borrowing costs that are capitalized as part of property and equipment amounted to P436,241,034 and P353,420,651 in September 30, 2024 and 2023, respectively, which represents the specific borrowing costs incurred on loans, corporate notes and bonds obtained to fund the construction projects (see Notes 13 and 14).

Certain land and construction in progress with an aggregate carrying amount of P8,025,281,000 and P6,404,580,614 as at September 30, 2024 and December 31, 2023, respectively, are used as collateral for certain interest-bearing loans of the Group (see Note 13.1).

As at September 30, 2024 and December 31, 2023, the cost of the Group's fully-depreciated property and equipment that are still used in operations amounted to P127,757,338 and P119,631,379, respectively. Proceeds for sale of property equipment amounted to P1,381,391 and P489,706 as at September 30, 2024 and 2023, respectively.

10. LEASES

10.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at September 30, 2024 and December 31, 2023 and the movements during the period are shown below.

	<u>Land</u>	<u>Office Space</u>	<u>Total</u>
<u>Unaudited</u>			
September 30, 2024			
Cost			
Balance at beginning of period	P 1,263,032,633	P 15,877,921	P 1,278,910,554
Additions	<u>5,176,040</u>	<u>-</u>	<u>5,176,040</u>
Balance at end of period	<u>1,268,208,673</u>	<u>15,877,921</u>	<u>1,284,086,594</u>
Accumulated amortization			
Balance at beginning of period	137,528,364	11,776,783	149,305,147
Amortization	<u>26,873,611</u>	<u>2,378,538</u>	<u>29,252,149</u>
Balance at end of period	<u>164,401,975</u>	<u>14,155,321</u>	<u>178,557,296</u>
Carrying amount	<u>P 1,103,806,698</u>	<u>P 1,722,600</u>	<u>P 1,105,529,298</u>
<u>Audited</u>			
December 31, 2023			
Cost			
Balance at beginning of year	P 1,262,756,727	P 15,877,921	P 1,278,634,648
Amendment of lease contract	<u>275,906</u>	<u>-</u>	<u>275,906</u>
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	<u>35,367,425</u>	<u>3,352,479</u>	<u>38,719,904</u>
Balance at end of year	<u>137,528,364</u>	<u>11,776,783</u>	<u>149,305,147</u>
Carrying amount	<u>P 1,125,504,269</u>	<u>P 4,101,138</u>	<u>P 1,129,605,407</u>

10.2 Lease Liabilities

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

	September 30, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Current	P 37,209,838	P 55,717,884
Non-current	<u>1,238,279,626</u>	<u>1,207,138,171</u>
	<u>P1,275,489,464</u>	<u>P1,262,856,055</u>

10.3 Lease Payments Not Recognized as Liabilities

The expense relating to short-term leases and low-value assets has an aggregate amount of P28,513,486 and P27,122,973 for September 30, 2024 and 2023 respectively, and is presented as Rent under Operating Expenses in the condensed consolidated interim statements of profit of loss (see Note 18). In 2024 and 2023, P61,626,716 and P59,845,987 were recognized as part of Finance Costs in the condensed consolidated interim statements of profit or loss, respectively.

11. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of the reporting periods are shown below.

	<u>Retail Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Total</u>
Unaudited						
September 30, 2024						
Costs	P 1,346,498,852	P 912,472,958	P 121,565,022	P 2,682,185,384	P 12,665,038,100	P 17,727,760,316
Accumulated depreciation	(185,457,239)	(180,031,033)	(24,331,411)	-	-	(389,819,683)
Carrying amount	<u>P 1,161,041,613</u>	<u>P 732,441,925</u>	<u>P 97,233,611</u>	<u>P 2,682,185,384</u>	<u>P 12,665,038,100</u>	<u>P 17,337,940,633</u>
Audited						
December 31, 2023						
Costs	P 1,353,024,478	P 912,472,958	P 121,565,022	P 2,682,185,384	P 13,589,390,602	P 18,658,638,444
Accumulated depreciation	(147,637,420)	(157,211,650)	(19,774,721)	-	-	(324,623,791)
Carrying amount	<u>P 1,205,387,058</u>	<u>P 755,261,308</u>	<u>P 101,790,301</u>	<u>P 2,682,185,384</u>	<u>P 13,589,390,602</u>	<u>P 18,334,014,653</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of the reporting periods is shown below.

	<u>Retail Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at January 1, 2024 net of accumulated depreciation (Audited)	P 1,205,387,058	P 755,261,308	P 101,790,301	P 2,682,185,384	P 13,589,390,602	P 18,334,014,653
Additions	-	-	-	-	1,969,349,838	1,969,349,838
Reclassifications	(6,525,626)	-	-	-	(2,893,702,340)	(2,900,227,966)
Depreciation during the period	(37,819,819)	(22,819,383)	(4,556,690)	-	-	(65,195,892)
Balance at September 30, 2024 net of accumulated depreciation (Unaudited)	<u>P 1,161,041,613</u>	<u>P 732,441,925</u>	<u>P 97,233,611</u>	<u>P 2,682,185,384</u>	<u>P 12,665,038,100</u>	<u>P 17,337,940,633</u>

	Retail Building	Condominium Units	Parking Units	Land	Construction in Progress	Total
Balance at January 1, 2023 net of accumulated depreciation (Audited)	P 1,213,918,791	P 783,200,791	P 108,394,014	P 2,682,185,384	P12,961,598,553	P 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	(49,522,931)	(30,326,390)	(6,101,067)	-	-	(85,950,388)
Balance at December 31, 2023 net of accumulated depreciation (Audited)	<u>P 1,205,387,058</u>	<u>P 755,261,308</u>	<u>P 101,790,301</u>	<u>P 2,682,185,384</u>	<u>P13,589,390,602</u>	<u>P18,334,014,653</u>

In 2024 and 2023, the Group reclassified certain investment properties with aggregate carrying amounts of P1,118,537,997 and P1,219,095,095, respectively, to real estate inventories. These reclassifications were made as a result of the change in the use of the properties from being held for lease to being held for sale and for use in the operations.

The borrowing costs that are capitalized as part of investment property amounted to P969,713,930 and P204,563,353 for the nine months ended September 30, 2024 and 2023, respectively, which represents the specific borrowing costs incurred on loans and corporate notes obtained to fund the construction projects (see Note 13).

Income and expenses from investment properties for the nine months ended September 30, 2024 and 2023 are presented below.

	Notes	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Rental income	16.1	<u>P 113,550,314</u>	<u>P 77,320,899</u>
Expenses:			
Depreciation	18	<u>P 65,195,892</u>	<u>P 64,116,791</u>
Real property taxes		<u>-</u>	<u>771,352</u>
		<u>P 64,888,143</u>	<u>P 64,888,143</u>

12. OTHER NON-CURRENT ASSETS

This account includes the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Advances to subcontractors	P 540,406,800	P 550,104,738
Deferred commissions	520,189,911	1,046,459,553
Refundable deposits	156,421,227	152,741,454
Computer software – net of accumulated amortization	23,249,657	25,314,992
Investment in equity securities	9,375,002	9,375,002
Deferred input VAT	4,624,926	4,624,926
Others	367,601	1,342,727
	<u>P1,254,635,124</u>	<u>P1,789,963,392</u>

The total additions to computer software amounted to P3,447,006 and P1,417,562 in 2024 and 2023, respectively. The amortization expense on the computer software amounted to P5,512,342 and P6,268,550 in 2024 and 2023, respectively, and is presented as part of Depreciation and amortization under Operating Expenses (see Note 18).

13. INTEREST-BEARING LOANS AND BORROWINGS

The outstanding balance of interest-bearing loans and corporate notes are presented in the condensed consolidated interim statements of financial position as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Current:		
Bank loans	P 8,338,344,933	P10,075,486,704
Corporate notes	1,491,666,667	1,491,666,667
	<u>9,830,011,600</u>	<u>11,567,153,371</u>
Non-current:		
Bank loans	25,579,111,245	20,871,648,528
Corporate notes	8,623,068,246	9,750,043,837
	<u>34,202,179,491</u>	<u>30,621,692,365</u>
	<u>P44,032,191,091</u>	<u>P42,188,845,736</u>

13.1 Bank Loans

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

		September 30, 2024	December 31, 2023
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 30,947,135,232	P 22,727,744,834
Proceeds and drawdowns - net		12,797,563,507	12,943,572,215
Repayments		(9,908,083,057)	(4,674,289,221)
Reclassification		-	(154,500,000)
Amortization of debt issue costs	19	<u>80,840,496</u>	<u>104,607,404</u>
Balance at end of period		<u>P 33,917,456,178</u>	<u>P 30,947,135,232</u>

A reconciliation of the unamortized debt issue cost at the beginning and end of 2024 and 2023 is shown below.

		September 30, 2024	December 31, 2023
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 163,081,681	P 107,967,127
Debt issue costs from new loans		86,821,137	159,721,958
Amortization of debt issue costs	19	<u>(80,840,496)</u>	<u>(104,607,404)</u>
Balance at end of the period		<u>P 169,062,322</u>	<u>P 163,081,681</u>

In 2024 and 2023, the Group availed of new bank loans amounting to P12,797,563,507 and P9,491,374,309, respectively, net of debt issue costs, which bear interest ranging from 5.25% to 9.25% and 5.75% to 9.00%, respectively, and have maturity dates ranging from 2023 to 2034.

The total interest incurred from the foregoing loans, including amortization of debt issue costs, amounted to P2,013,044,183 and P1,399,675,618, of which P868,195,285 and P235,368,281 were capitalized as part of property and equipment and investment properties, in 2024 and 2023, respectively (see Notes 9 and 11). The remaining interest was recognized as part of Finance Costs in the condensed consolidated interim statements of profit or loss (see Note 19). Capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 3.54% to 9.25% and 5.75% to 9.00% in 2024 and 2023, respectively.

The amortization of debt issue costs amounted to P80,840,496 and P69,685,245, of which P30,526,776 and P17,562,619 were capitalized as part of property and equipment and investment properties, in 2024 and 2023, respectively, (see Notes 9 and 11).

Certain loans are collateralized by specific projects and developments, and certain property and equipment for which the loans were obtained. The cost of such projects aggregating to P244,649,188,121 and P21,360,041,578 as at September 30, 2024 and December 31, 2023, respectively, are included in the Real Estate Inventories, Property and Equipment and Investment Properties accounts in the condensed consolidated interim statements of financial position (see Notes 6, 9 and 11).

13.2 Corporate Notes

The Parent Company and various financial institutions executed a Notes Facility Agreement for the issuance of long-term corporate notes totaling P13,000,000,000 and two short-dated notes amounting to P2,000,000,000 and P3,000,000,000, respectively.

		September 30, 2024	December 31, 2023
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 11,241,710,504	P 12,334,545,777
Repayments		(1,145,535,714)	(1,117,559,524)
Amortization of debt issue costs	19	<u>18,560,123</u>	<u>24,724,251</u>
Balance at end of the period		<u>P 10,114,734,913</u>	<u>P 11,241,710,504</u>

The total interest incurred related to the corporate notes amounted to P446,721,750 and P506,834,287, of which P404,893,876 and P115,972,194 were capitalized as part of property and equipment and investment properties, in 2024 and 2023, respectively (see Notes 9 and 11).

The amortization of debt issue costs from corporate notes amounting to P18,560,123 and P18,492,385 was capitalized as part of property and equipment and investment properties in 2024 and 2023, respectively.

14. BONDS PAYABLE

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.

An analysis of the movements in the balance of bonds payable are presented below.

		September 30, 2024	December 31, 2023
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of period		P 4,947,822,521	P 4,930,582,631
Amortization of debt issue costs	19	12,686,653	16,880,745
Reclassification		<u>-</u>	<u>359,145</u>
Balance at end of period		<u>P 4,960,509,174</u>	<u>P 4,947,822,521</u>

The total interest incurred related to the bonds, including amortization of bond issue costs, amounted to P166,867,609 and P254,205,350, of which P132,865,802 and P206,643,529 were capitalized as part of property and equipment and investment properties, in 2024 and 2023, respectively (see Notes 9 and 11). The remaining interest were recognized as part of Finance Costs in the condensed consolidated interim statements of profit or loss (see Note 19).

The amortization of debt issue costs from bonds amounted to P12,686,653 and P12,620,992, of which P10,312,980 and P10,259,605 were capitalized as part of property and equipment and investment properties, in 2024 and 2023, respectively (see Notes 9 and 11). 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 the end of reporting periods, the Parent Company is compliant with the requirements.

15. TRADE AND OTHER PAYABLES

This account is composed of the following:

	<u>Notes</u>	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Current:			
Unbilled construction costs	6, 9, 11	P 7,311,693,828	P 12,617,790,247
Trade payables		4,625,391,806	4,517,518,729
Sales commissions payable		4,453,739,754	3,763,166,755
Retention payable		1,266,817,954	1,112,645,901
Accrued expenses		686,293,350	262,413,071
Output VAT		297,269,197	76,190,277
Government-related obligations		77,250,077	85,420,412
Due to co-venturers		20,000,000	-
Advances from NCI		-	19,344,748
Other payables		385,796,864	326,300,458
		<u>19,124,252,830</u>	<u>22,780,790,598</u>
Non-current:			
Retention payable		141,540,119	141,540,119
Advanced rental		44,665,368	33,282,573
Other payables		13,425,639	10,597,440
		<u>199,631,126</u>	<u>185,420,132</u>
		<u>P 19,323,883,956</u>	<u>P 22,966,210,730</u>

16. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

16.1 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 periods ended September 30, 2024 and 2023.

	2024				
	Cebu	Mindanao	Visayas	Luzon	Total
<i>Sale of real estate units</i>					
Over time	P 4,304,437,349	P 4,114,614,922	P 2,458,440,875	P 798,952,701	P11,676,445,847
At a point in time	<u>2,035,508,546</u>	<u>89,488,979</u>	<u>2,647,582</u>	<u>-</u>	<u>2,127,645,107</u>
	6,339,945,895	4,304,103,901	2,461,088,457	798,952,701	13,804,090,954
<i>Hotel operations</i>					
Over time	123,882,009	-	-	24,942,296	148,824,305
<i>Lease of properties</i>					
Over time	113,286,051	264,263	-	-	113,550,314
<i>Render of management services</i>					
Over time	<u>35,089,242</u>	<u>6,687,205</u>	<u>4,085,040</u>	<u>-</u>	<u>45,861,487</u>
	<u>P 6,612,203,197</u>	<u>P 4,211,055,369</u>	<u>P 2,465,173,497</u>	<u>P 823,894,997</u>	<u>P 14,112,327,060</u>
	2023 (As Restated - see Note 2)				
	Cebu	Mindanao	Visayas	Luzon	Total
<i>Sale of real estate units</i>					
Over time	P 5,976,647,765	P 3,249,319,168	P 2,952,952,752	P 371,143,640	P 12,550,063,325
At a point in time	<u>27,654,232</u>	<u>244,077</u>	<u>104,891,329</u>	<u>21,530,000</u>	<u>154,319,638</u>
	6,004,301,997	3,249,563,245	3,057,844,081	392,673,640	12,704,382,963
<i>Hotel operations</i>					
Over time	98,169,696	-	-	-	98,169,696
<i>Lease of properties</i>					
Over time	77,320,899	-	-	-	77,320,899
<i>Render of management services</i>					
Over time	<u>38,164,939</u>	<u>8,313,716</u>	<u>-</u>	<u>-</u>	<u>46,478,655</u>
	<u>P 6,217,957,531</u>	<u>P 3,257,876,961</u>	<u>P 3,057,844,081</u>	<u>P 823,894,997</u>	<u>P 12,926,352,213</u>

16.2 Contract Balance

The breakdown of contract balances is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Contract assets	P 41,276,262,075	P 45,093,986,410
Contract liabilities	(<u>291,860,725</u>)	(<u>449,338,207</u>)
Contract assets - net	<u>P 40,984,401,351</u>	<u>P 44,644,648,203</u>

The Group's contract assets as at September 30, 2024 and December 31, 2023 are presented in the condensed consolidated interim statements of the financial position as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Current	P 24,200,439,959	P 26,225,182,718
Non-current	<u>17,075,822,117</u>	<u>18,868,803,692</u>
	<u>P 41,276,262,075</u>	<u>P 45,093,986,410</u>

17. COST OF SALES AND SERVICES

Components of costs of sales and services for the nine months ended September 30, 2024 and 2023 are analyzed below (see Note 18).

	2024 (Unaudited)	2023 (As Restated - see Note 2)
Cost of real estate sales:		
Contracted services	P 4,488,464,566	P 4,823,561,042
Land cost	1,683,210,510	911,890,520
Other costs	<u>379,611,102</u>	<u>172,425,945</u>
	<u>6,551,286,178</u>	<u>5,907,877,507</u>
Cost of rental services:		
Depreciation	65,195,893	64,116,792
Others	<u>-</u>	<u>771,352</u>
	<u>65,195,893</u>	<u>64,888,144</u>
Cost of management services:		
Salaries and wages	30,172,692	21,929,167
Materials and supplies	<u>-</u>	<u>250</u>
	<u>30,172,692</u>	<u>21,929,417</u>
Cost of hotel operations:		
Materials and supplies	20,744,101	12,108,190
Salaries and wages	14,511,989	10,346,881
Advertising and promotions	9,164,020	6,056,949
Utilities	8,368,858	4,896,173
Others	<u>15,808,137</u>	<u>5,427,508</u>
	<u>68,597,105</u>	<u>38,835,701</u>
	<u>P 6,715,251,867</u>	<u>P 6,033,530,769</u>

18. COSTS AND EXPENSES BY NATURE

Details of costs and expenses by nature for the nine months ended September 30, 2024 and 2023 are shown below.

		2024 <u>(Unaudited)</u>	2023 (As Restated - see Note 2)
Material and labor		P 4,659,075,996	P 4,954,541,053
Land cost	17	1,683,210,510	911,890,520
Commissions	7	807,860,537	742,532,603
Salaries and employee benefits		557,135,862	429,140,474
Taxes and licenses		517,758,413	204,836,880
Depreciation and amortization	9, 10.1, 11, 12	143,637,111	134,725,936
Advertising		90,528,690	75,543,835
Utilities		85,182,534	48,692,738
Hotel operations	17	68,597,105	38,835,701
Security services		48,975,349	34,065,478
Insurance		43,026,749	32,042,220
Repairs and maintenance		40,266,326	54,224,200
Transportation and travel		35,854,121	28,373,481
Association dues		31,849,803	29,216,251
Rent	10	28,513,486	27,122,973
Professional fees		23,354,152	17,325,049
Subscription and membership dues		21,349,376	12,651,735
Representation and entertainment		19,498,217	24,311,027
Supplies		15,381,470	14,944,808
Management fee		12,075,984	6,241,846
Donations		11,666,500	28,571,497
Communication		10,167,779	6,249,110
Move-in fee expenses		6,643,517	3,507,445
Trainings and seminars		2,597,241	1,340,587
Others		176,418,850	65,433,081
		<u>P 9,140,625,678</u>	<u>P 7,926,360,528</u>

These costs and expenses are classified in the condensed consolidated interim statements of profit or loss as follows for the nine months ended September 30, 2024 and 2023:

	2024 <u>(Unaudited)</u>	2023 (As Restated - see Note 2)
Cost of sales and services	P 6,715,251,867	P 6,033,530,769
Operating expenses	<u>2,425,373,811</u>	<u>1,892,829,759</u>
	<u>P 9,140,625,678</u>	<u>P 7,926,360,528</u>

19. FINANCE COSTS

This is composed of the following for the nine months ended September 30, 2024 and 2023:

	Notes	2024 <u>(Unaudited)</u>	2023 (As Restated - see Note 2)
Interest expense on:			
Loans	13	P 1,186,676,773	P 1,388,298,201
Bonds	14	34,001,807	47,561,821
Lease liabilities	10.2	61,626,716	59,845,987
Amortized debt issue costs	13	52,687,393	54,484,013
Day one loss (gain), net of amortization	5	(3,858,218)	3,857,664
		<u>P 1,331,404,470</u>	<u>P 1,554,047,686</u>

20. CURRENT AND DEFERRED TAXES

The components of tax expense relating to profit or loss and other comprehensive income are as shown below for the nine months ended September 30, 2024 and 2023:

	2024 <u>(Unaudited)</u>	2023 (As Restated - see Note 2)
<i>Reported in profit or loss:</i>		
Current tax expense:		
Regular corporate income tax at 25%	P 907,371,078	P 247,988,160
Minimum corporate income tax at 1% before July 1, 2023 and 2% thereafter	1,014,165	383,301
Final income tax	<u>790,475</u>	<u>1,482,458</u>
	909,175,718	249,853,919
Deferred tax expense arising from origination and reversal of temporary differences	<u>58,691,417</u>	<u>709,983,969</u>
	<u>P 967,867,135</u>	<u>P 959,837,888</u>

As of September 30, 2024, CPH, BL Ventures, CCLI and MMDC are subject to MCIT, 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 P1,014,165 and P782,247 in 2024 and 2023, respectively.

21. RELATED PARTY TRANSACTIONS

A summary of the Group's transactions and outstanding balances with related parties is presented below.

	Notes	Amount of Transaction		Outstanding Balance	
		September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Ultimate Parent Company					
Real estate sales	21.2	P 3,861,442	P 68,259,907	P 685,584	P 685,584
Entities under Common Ownership					
Net advances (collections)	21.1	5,130,738	13,463,859	51,367,508	46,236,770
Associates					
Real estate sales	21.2	1,994,468,950	-	1,120,268,950	-
Net advances (collections)	21.1	(2,349,304)	7,571,217	10,693	2,359,997
Key Management Personnel					
Real estate sales	21.3	6,907,985	39,666,628	-	-
Short-term compensation		108,715,050	115,246,928	-	-

The details of the foregoing transactions are discussed below.

21.1 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.

	Entities Under Common Ownership		Associates	Total
Balance at January 1, 2024	P 46,236,770	P 2,359,997	P 48,596,767	
Additional advances (collections)	5,130,738	(2,349,304)	2,781,434	
Balance at September 30, 2024 (Unaudited)	<u>P 51,367,508</u>	<u>P 10,693</u>	<u>P 51,378,201</u>	
Balance at January 1, 2023	P 35,401,209	P 401,132	P 35,802,341	
Additional advances	12,625,466	7,571,217	20,196,683	
Reclassification	838,393	-	838,393	
Balance at September 30, 2023 (Unaudited)	<u>P 48,865,068</u>	<u>P 7,972,349</u>	<u>P 56,837,417</u>	

21.2 Real Estate Sales to Ultimate Parent Company and Associate

In 2024 and 2023, the Group sold condominium units to ABS totaling P3,861,442 and P68,259,907, respectively. The outstanding balance related to these transactions amounted to P685,584 both as at September 30, 2024 and December 31, 2023 are presented as part of Contract Receivables under the Receivables account in the condensed consolidated interim statements of financial position (see Note 5).

In 2024, the Group sold parcels of land to CLI NUD for P1,994,468,950. The outstanding balance related to these transactions amounted to P1,120,268,950 as at September 30, 2024 is presented as part of Contract Receivables under the Receivables account in the condensed consolidated interim statements of financial position (see Note 5). There was no similar transaction in 2023.

21.3 Real Estate Sales to Key Management Personnel

In 2024 and 2023, the Group sold condominium units totaling P6,907,985 and P39,666,628, respectively, to key management personnel. The outstanding balance related to these transactions amounted to nil both as at September 30, 2024 and December 31, 2023, respectively, and presented as part of Contract Receivables under the Receivables account in the condensed consolidated interim statements of financial position (see Note 5).

22. EQUITY

22.1 Capital Stock

Details of the Parent Company's authorized, issued and outstanding capital stock as of September 30, 2024 and December 31, 2023 are as follows:

	Shares		Amount	
	2024	2023	2024	2023
Preferred shares				
Authorized				
Series A – P1.00 par value	1,000,000,000	1,000,000,000	P 1,000,000,000	P 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>P 1,100,000,000</u>	<u>P 1,100,000,000</u>
Issued and outstanding:				
Balance at beginning of period	-	-	P -	P -
Issuance during the period:				
Preferred Shares – Series A1	2,063,360	-	2,063,360	-
Preferred Shares – Series A2	2,216,980	-	2,216,980	-
Balance at end of period	<u>4,280,340</u>	<u>-</u>	<u>P 4,280,340</u>	<u>P -</u>
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>P 9,000,000,000</u>	<u>P 9,000,000,000</u>
Issued:				
Balance at beginning and end of period	3,623,451,997	3,623,451,997	P 3,623,451,997	P 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>P 2,890,787,393</u>	<u>P 2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment to 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 P1.00 per share;
- 1,000,000,000 Series A preferred shares with a par value of P1.00 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, 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 P4,276,059,660. 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 7.5850% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.2500% 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 is no issued preferred stock as at December 31, 2023.

The share price of the Parent Company’s common stock closed at P2.66 and P2.47 per share on September 30, 2024 and December 29, 2023, respectively, the last trading days in the PSE.

22.2 Retained Earnings

(a) Cash Dividends

The Company’s BOD declared the following cash dividends:

<u>Date of Declaration</u>	<u>Record Date</u>	<u>Total Cash Dividends</u>	<u>Dividend Per Share</u>
<u>2024</u>			
Common Shares:			
March 18, 2024	April 17, 2024	P 519,780,220	P 0.15
March 18, 2024	April 17, 2024	<u>103,956,044</u>	P 0.03
		<u>P 623,736,264</u>	
Preferred Shares (CLIA1) – June 14, 2024	July 2, 2024	<u>P 39,126,462</u>	P 18.96
Preferred Shares (CLIA2) – June 14, 2024	July 2, 2024	<u>P 45,725,212</u>	P 20.63
<u>2023</u>			
Common Shares:			
March 20, 2023	April 18, 2023	P 519,780,220	P 0.15
March 20, 2023	April 18, 2023	<u>103,956,044</u>	P 0.03
		<u>P 623,736,264</u>	

Dividends declared on March 18, 2024 and June 14, 2024 were fully paid on May 3, 2024 and July 12, 2024, respectively. Dividends declared in 2023 were fully paid in the same year.

(b) *Appropriations*

The releases from the appropriated retained earnings for the nine months ended September 30, 2024 and 2023 for the funding of CLI's projects which are expected to run until 2029.

Purpose		January 1, 2024	Releases	September 30, 2024
Manresa Project	P	733,675,000	(P 95,435,895)	P 638,239,105
Mactan Lowaii Project/ Costa				
Mira Beachtown Mactan		581,160,881	(159,189,039)	421,971,842
Mindara Residences		414,691,716	(542,778)	414,148,938
Masters Tower		970,730,863	(634,413,758)	336,317,105
The East Village		616,000,000	(295,038,830)	320,961,170
Casa Mira Towers Bacolod		385,480,436	(85,178,733)	300,301,703
Casa Mira Magtuod		435,365,130	(137,216,253)	298,148,877
Casa Mira Homes CamSur		269,414,232	-	269,414,232
Velmiro Ormoc		238,040,000	(934,534)	237,105,466
Gensan Project		195,833,700	(4,092)	195,829,608
Velmiro Homes Consolacion		225,278,123	(82,375,231)	142,902,892
Casa Mira Towers CDO		289,009,813	(150,723,258)	138,286,555
Casa Mira Towers Palawan		412,497,419	(283,224,417)	129,273,002
Velmiro Heights CDO		221,824,954	(93,172,071)	128,652,883
Casa Mira Homes Danao		236,652,714	(115,742,337)	120,910,377
Abaca Resort Mactan		483,251,483	(371,740,947)	111,510,536
Mivela Garden Residences		29,343,279	(29,343,279)	-
Patria de Cebu		176,553,263	(176,553,263)	-
		<u>P 6,914,803,006</u>	<u>(P 2,710,828,715)</u>	<u>P 4,203,974,291</u>
Purpose		January 1, 2023	Releases	September 30, 2023
Casa Mira Towers Bacolod	P	567,099,274	(P 137,015,639)	P 430,083,635
Mactan Lowaii Project/ Costa				
Mira Beachtown Mactan		551,585,305	(311,563,415)	240,021,890
Mivela Garden Residences		407,113,996	(286,070,615)	121,043,381
Velmiro Homes Consolacion		234,736,163	(221,531,217)	13,204,946
Casa Mira Towers CDO		270,133,666	(260,466,231)	9,667,435
Masters Tower		623,204,982	(623,204,982)	-
Abaca Resort Mactan		392,233,257	(392,233,257)	-
Patria de Cebu		338,758,725	(338,758,725)	-
Casa Mira Towers Guadalupe		274,708,994	(274,708,994)	-
Casa Mira Towers LPU		271,901,531	(271,901,531)	-
		<u>P 3,931,475,893</u>	<u>(P 3,117,454,606)</u>	<u>P 814,021,287</u>

22.3 Non-controlling Interests

The subsidiaries of the Group with significant NCI as at September 30, 2024 and December 31, 2023 are as follows.

	<u>NCI Ownership %</u>		<u>NCI Equity in Subsidiaries</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
				(As restated - see Note 2)
YHEST	50%	50%	P 4,559,265,533	P 4,360,079,336
CHDI	50%	50%	1,691,139,697	1,522,385,326
El Camino	65%	65%	1,220,655,975	991,148,025
YHES	50%	50%	884,208,305	910,178,294
CBLRV	50%	50%	479,030,429	407,486,117
GGTT	50%	50%	372,649,133	390,040,406
CLI-LITE	12%	12%	185,632,111	152,524,190
YES	50%	50%	92,955,050	88,058,729
CCLI	50%	50%	141,199,263	158,489,937
MDC	22%	22%	79,700,182	79,728,192
MGR	55%	55%	59,635,020	67,553,704
SPE	36%	36%	41,202,256	46,960,280
BL Ventures	50%	50%	(1,902,245)	21,910,201
			<u>P 9,805,370,709</u>	<u>P 9,196,542,737</u>

An analysis of the movement of NCI as at September 30, 2024 and December 31, 2023 follows:

	<u>September 30, 2024 (Unaudited)</u>	<u>December 31, 2023 (As Restated - see Note 2)</u>
Balance at beginning of period	P 9,196,542,737	P 7,412,977,679
Prior period adjustment	-	(50,737,468)
Share in net profit during the period	590,077,972	1,067,182,525
New and additional investments	32,500,000	879,500,000
Dividends	(13,750,000)	(112,380,000)
Balance as at end of period	<u>P 9,805,370,709</u>	<u>P 9,196,542,737</u>

The new and additional investments came from the non-controlling shareholders of CHDI and CCLI in 2024 and CHDI, CBLRV, CCLI and SPE in 2023.

The dividends came from MGR in 2024, and YES and MGR in 2023.

22.4 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.

23. EARNINGS PER SHARE

EPS is computed as follow for the nine months ended September 30, 2024 and 2023:

	2024 (Unaudited)	2023 (As Restated - see Note 2)
Net profit attributable to Parent	P 2,323,260,299	P 2,179,748,901
Preferred dividends	(4,280,340)	-
Income available to common stockholders	2,318,979,959	2,179,748,901
Divided by weighted average number of outstanding common stock	<u>3,465,201,467</u>	<u>3,465,201,467</u>
Basic and diluted EPS	<u>P 0.67</u>	<u>P 0.63</u>

There were no instruments that could potentially dilute basic earnings per share for the nine months ended September 30, 2024 and 2023, hence, basic EPS is the same as diluted EPS.

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to risk in relation to its operating, investing, and financing activities, and the business environment in which it operates. Generally, the Group's objectives in risk management are to ensure that it identifies, measure, monitors, and controls the various risks that arise from its business activities and that it adheres strictly to the policies, procedures, and control system which are establish to address these risks. In managing financial instruments, the Group is exposed to financial risks such as market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and credit risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosure required in the annual consolidated financial statements; hence, they should be read in conjunction with the Group's annual financial statements as of and for the year ended December 31, 2023.

There have been no significant changes in the risk management structure of the Group or in any risk management policies since the previous annual period.

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

25.1 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 condensed consolidated interim statements of financial position are shown below.

	Notes	September 2024		December 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
at amortized cost:					
Cash and cash equivalents	4	P 2,447,932,244	P 2,447,932,244	P 913,841,206	P 913,841,206
Receivables - net ¹	5	11,541,589,690	11,541,589,690	2,211,305,404	2,211,305,404
Due from related parties	21	51,378,201	51,378,201	48,596,767	48,596,767
Short-term investments	7	313,814,857	313,814,857	200,838,362	200,838,362
Refundable deposits	12	156,421,227	156,421,227	152,741,454	152,741,454
		<u>P 14,511,136,219</u>	<u>P 14,511,136,219</u>	<u>P 3,527,323,193</u>	<u>P 3,527,323,193</u>
Financial Liabilities					
at amortized cost:					
Interest-bearing loans and borrowings	13	P 44,032,191,091	P 46,043,743,618	P 42,188,845,736	P 43,660,634,271
Bonds payable	14	4,960,509,174	5,183,148,238	4,947,822,521	5,107,699,189
Trade and other payables ²	15	18,904,699,318	18,904,699,318	22,771,317,468	22,771,317,468
		<u>P 67,897,399,583</u>	<u>P 70,131,591,174</u>	<u>P 69,907,985,725</u>	<u>P 71,539,650,928</u>

¹ Receivables - net excludes advances to officers and employees.

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

25.2 Fair Value Measurements and Disclosures

(a) Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and 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 condensed consolidated interim statements of financial position as of September 30, 2024 and December 31, 2023, but for which fair value is disclosed.

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	P 2,447,932,244	P -	P -	P 2,447,932,244
Receivables - net ¹	-	-	11,541,589,690	11,541,589,690
Due from related parties	-	-	51,378,201	51,378,201
Short-term investments	313,814,857	-	-	313,814,857
Refundable deposits	-	-	156,421,227	156,421,227
	<u>P 2,761,747,101</u>	<u>P -</u>	<u>P 11,749,389,118</u>	<u>P 14,511,136,219</u>
Financial liabilities				
Interest-bearing loans and borrowings	P -	P -	P 46,043,743,618	P 46,043,743,618
Bonds payable	-	-	5,183,148,238	5,183,148,238
Trade and other payables ²	-	-	18,904,699,318	18,904,699,318
	<u>P -</u>	<u>P -</u>	<u>P 70,131,591,174</u>	<u>P 70,131,591,174</u>

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>				
Cash and cash equivalents	P 913,841,206	P -	P -	P 913,841,206
Receivables – net ¹	-	-	2,211,305,405	2,211,305,404
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>P 1,114,679,568</u>	<u>P -</u>	<u>P 2,412,643,626</u>	<u>P 3,527,323,194</u>
<i>Financial liabilities</i>				
Interest-bearing loans and borrowings	P -	P -	P 43,660,634,271	P 43,660,634,271
Bonds payable	-	-	5,107,699,189	5,107,699,189
Trade and other payables ²	-	-	22,771,317,470	22,771,317,470
	<u>P -</u>	<u>P -</u>	<u>P 71,539,650,930</u>	<u>P 71,539,650,930</u>

¹ Receivables - net 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.

(b) *Fair Value Measurement for Non-financial Assets*

The Group has no non-financial assets measured at fair value as at September 30, 2024 and December 31, 2023. However, the fair values of its investment properties are required to be disclosed, as shown in Note 11.

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 September 30, 2024.

	Level 1	Level 2	Level 3	Total
Investment property	<u>P -</u>	<u>P -</u>	<u>P 18,422,843,422</u>	<u>P 18,422,843,422</u>

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 and retail building were determined based on the following approaches:

(i) *Fair Value Measurement for Land, Condominium 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. Also, there were no transfers into or out of Level 2 fair value hierarchy for the nine months ended September 30, 2024.

26. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group monitors capital on the basis of the carrying amount of equity as presented in the condensed consolidated interim statements of financial position. Capital for the reporting periods under review is summarized as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (As Restated - see Note 2)
Total interest-bearing loans and borrowings and bonds payable	P48,992,700,265	P 47,136,668,257
Total equity	<u>29,852,175,056</u>	<u>23,348,334,723</u>
Debt-to-equity ratio	<u>1.64 : 1.00</u>	<u>2.02 : 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 Parent Company is required to maintain certain financial ratios in relation with its borrowings (see Note 13). The Group has complied with its covenant obligations as at September 30, 2024 and December 31, 2023.

27. COMMITMENTS AND CONTINGENCIES

27.1 Capital Commitments for Construction Cost

As at September 30, 2024 and December 31, 2023, the Group has capital commitments of about P8,610,308,652 and P7,869,502,871, respectively, for the construction of real estate inventories, property and equipment and investment properties.

27.2 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 P164,891,955 and P289,366,657 as at September 30, 2024 and December 31, 2023, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 16.2).

27.3 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 condensed consolidated interim financial statement 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 September 30, 2024 and December 31, 2023, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's condensed consolidated interim financial statements.



**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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(A Subsidiary of A B Soberano Holdings Corp.)**
10th Floor, Park Centrale Tower
Jose Ma. Del Mar St., B2 L3
Cebu I.T. Park, Brgy., Apas
Cebu City

We have reviewed, in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the condensed consolidated interim financial statements of Cebu Landmasters, Inc. and Subsidiaries (the Group) as at September 30, 2024 and for the nine months ended September 30, 2024 and 2023, and have issued our report thereon dated December 9, 2024. Our review was made for the purpose of providing a limited level of assurance that the Group's condensed consolidated interim financial statements comply with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. 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 condensed consolidated interim financial statements prepared in accordance with PAS 34. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the review procedures applied in the review of the condensed consolidated interim financial statements. Accordingly, we do not express an audit opinion.

PUNONGBAYAN & ARAULLO

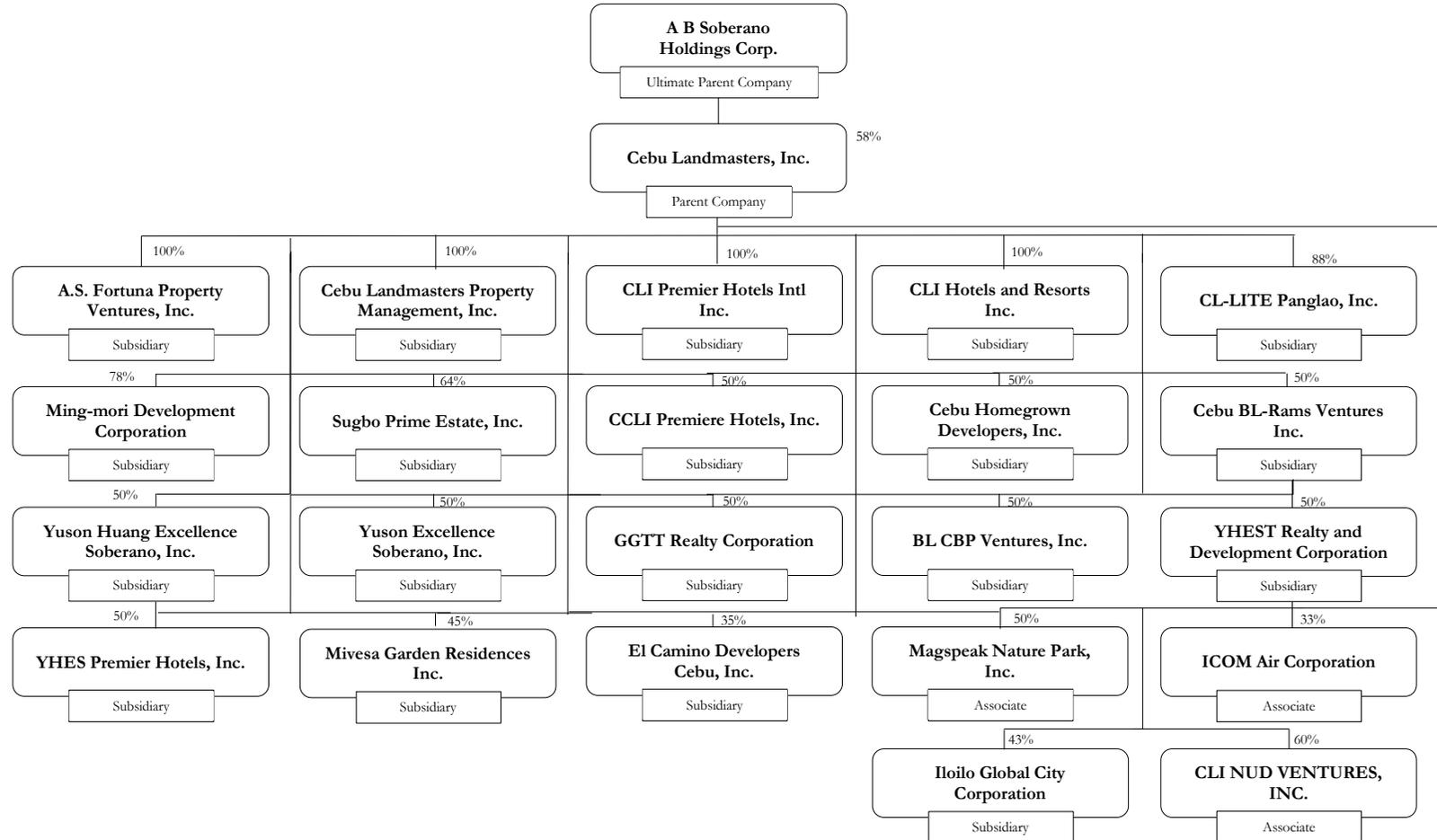
By: **Renan A. Piamonte**
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10076150, January 3, 2024, Makati City
BIR AN 08-002511-037-2022 (until Oct. 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until Aug. 12, 2027)

December 9, 2024

CEBU LANDMASTERS, INC. AND SUBSIDIARIES

Map Showing the Relationship Between and Among the Company
and its Ultimate Parent, Subsidiaries, and Associates
September 30, 2024



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
Reconciliation of Retained Earnings Available for Dividend Declaration
as of September 30, 2024
(Amounts in Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year		P 2,468,821,650
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	2,710,828,715	
Effect of restatements or prior-period adjustments	<u>2,195,404,737</u>	4,906,233,452
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		<u>708,587,938</u>
Unappropriated Retained Earnings at Beginning of Year, as adjusted		6,666,467,164
Add: Net Income for the Current Year		2,335,374,604
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associates/subsidiaries, net of dividends declared		<u>486,092,393</u>
Unappropriated Retained Earnings Available for Dividend declaration at end of Year		<u>P 8,515,749,375</u>



Report of Independent Auditors on Components of Financial Soundness Indicators

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

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

T +63 2 8988 2288

We have reviewed, in accordance with Philippine Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, the condensed consolidated interim financial statements of Cebu Landmasters, Inc. and Subsidiaries (the Group) as at September 30, 2024, and for the nine months ended September 30, 2024 and 2023, and have issued our report thereon dated December 9, 2024. Our reviews were made for the purpose of providing a limited level of assurance that the Group's condensed consolidated interim financial statements comply with Philippine Accounting Standard (PAS) 34, Interim Financial Reporting. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic condensed consolidated interim financial statements prepared in accordance with PAS 34. The components of these financial soundness indicators have been traced to the Group's condensed consolidated interim financial statements as at September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: **Renan A. Piamonte**
Partner

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December 9, 2024

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
Supplemental Schedule of Financial Soundness Indicators
September 30, 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 Current Ratio	1.94 57,312,657,482 29,482,522,496 1.94	Total Current Assets divided by Total Current Liabilities Total Current Assets Divide by: Total Current Liabilities Current Ratio	1.48 49,479,444,502 33,376,846,064 1.48
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 Quick Assets Divide by: Total Current Liabilities Acid test ratio	1.23 2,447,932,244 9,607,944,620 24,200,439,959 51,378,201 36,307,695,024 29,482,522,496 1.23	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 Quick Assets Divide by: Total Current Liabilities Acid test ratio	0.79 1,347,532,396 2,242,986,924 22,866,975,361 56,837,417 26,514,332,098 33,376,846,064 0.79
Solvency ratio	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets Solvency ratio	0.72 75,179,867,332 105,032,042,388 0.72	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets Solvency ratio	0.77 72,939,491,687 95,192,408,755 0.77
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity Debt-to-equity ratio	2.52 75,179,867,332 29,852,175,056 2.52	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity Debt-to-equity ratio	3.03 72,939,491,687 24,087,489,097 3.03
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets Divide by: Total Equity Assets-to-equity ratio	3.52 105,032,042,388 29,852,175,056 3.52	Total Assets divided by Total Equity Total Assets Divide by: Total Equity Assets-to-equity ratio	3.95 95,192,408,755 24,087,489,097 3.95
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax Add: Interest charged to: Cost of Sales Finance cost EBIT Divide by: Interest Expense* Interest rate coverage ratio <i>*Interest expense includes P1,405,954,963 the amount capitalized as part of property and equipment, and investment property</i>	1.94 3,881,062,862 - 1,220,678,580 5,101,741,442 2,626,633,542 1.94	Earnings before interest and taxes (EBIT) divided by Interest expense Profit before tax Add: Interest charged to: Cost of Sales Finance cost EBIT Divide by: Interest Expense* Interest rate coverage ratio <i>*Interest expense includes P1,283,213,978 the amount capitalized as part of real estate inventory, property and equipment, and investment property</i>	2.21 3,792,879,220 669,890,137 418,605,393 4,881,374,750 2,207,029,864 2.21
Return on equity	Net Profit divided by Total Ave. Equity Net Profit Divide by: Total Ave. Equity Return on equity	11% 2,913,195,727 26,600,254,890 11%	Net Profit divided by Total Ave. Equity Net Profit Divide by: Total Ave. Equity Return on equity	14% 2,833,041,332 20,920,467,447 14%
Return on assets	Net Profit divided by Total Ave. Assets Net Profit Divide by: Total Ave. Assets Return on assets	3% 2,913,195,727 102,695,476,626 3%	Net Profit divided by Total Ave. Assets Net Profit Divide by: Total Ave. Assets Return on assets	3% 2,833,041,332 89,560,579,671 3%
Net profit margin	Net Profit divided by Revenues Net Profit Divide by: Total Revenue Return on assets	21% 2,913,195,727 14,112,327,060 21%	Net Profit divided by Revenues Net Profit Divide by: Total Revenue Return on assets	22% 2,833,041,332 12,926,352,213 22%
Other ratio	Gross Profit divided by Total Revenue Gross Profit Divide by: Total Revenue Gross profit margin	52% 7,397,075,193 14,112,327,060 52%	Gross Profit divided by Total Revenue Gross Profit Divide by: Total Revenue Gross profit margin	53% 6,892,821,444 12,926,352,213 53%