

May 14, 2026

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. LOU DELIANNE I. REBOJA
Legal Counsel and Compliance Senior Manager

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Mar 31, 2026
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
CEBU CITY, CEBU, PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
10TH FLOOR, PARK CENTRALE TOWER, JOSE MA. DEL MAR ST., 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:
THE PHILIPPINE STOCK EXCHANGE - COMMON SHARES AND PREFERRED SHARES
12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

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



Cebu Landmasters, Inc. CLI

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

For the period ended	Mar 31, 2026
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2026	Dec 31, 2025
Current Assets	77,419,618,960	57,350,750,814
Total Assets	139,670,108,220	134,157,309,419
Current Liabilities	40,450,333,693	39,898,482,897
Total Liabilities	103,119,152,125	99,430,555,590
Retained Earnings/(Deficit)	14,577,954,929	13,697,101,470
Stockholders' Equity	36,550,956,096	34,726,753,831
Stockholders' Equity - Parent	23,292,084,264	22,411,230,806
Book Value per Share	5.49	4.64

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	6,084,533,628	6,224,528,994	6,084,533,628	6,224,528,994
Gross Expense	3,994,160,313	3,618,575,728	3,994,160,313	3,618,575,728
Non-Operating Income	58,268,860	18,093,859	58,268,860	18,093,859
Non-Operating Expense	687,014,055	722,534,560	687,014,055	722,534,560
Income/(Loss) Before Tax	1,461,628,120	1,901,512,566	1,461,628,120	1,901,512,566
Income Tax Expense	433,925,856	577,038,007	433,925,856	577,038,007
Net Income/(Loss) After Tax	1,027,702,264	1,324,474,559	1,027,702,264	1,324,474,559
Net Income Attributable to Parent Equity Holder	880,853,457	995,371,057	880,853,457	995,371,057
Earnings/(Loss) Per Share (Basic)	0.23	0.26	0.23	0.26
Earnings/(Loss) Per Share (Diluted)	0.23	0.26	0.23	0.26

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.78	0.82
Earnings/(Loss) Per Share (Diluted)	0.78	0.82

Other Relevant Information
-

Filed on behalf by:

Name	Lou Delianne Reboja
Designation	Legal Counsel and Compliance Sr. Manager

COVER SHEET

C	S	2	0	0	3	2	1	2	4	0
SEC REGISTRATION NUMBER										

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(Company Name)

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6	0	0	0																								

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

Paquita T. Rafols										
Contact Person										

032-231-4870										
Company Telephone Number										

1	2		3	1
Month		Day		
Day				

17-Q										
Form Type										

0	7		1	1
Month		<i>Annual</i>		

Meeting

<i>June 5, 2026</i>										
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Secondary License Type, If Applicable

Dept. Requiring this Doc Number/Section		

Amended Articles					

24										
Total No. of Stockholders Foreign										

Total Amount of Borrowings																					
Domestic																					

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)

March 31, 2026

(Quarter Ended)

SEC Form 17-Q Quarterly Report

(Form Type)

-

(Amendments)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2026
2. Commission Identification Number CS200321240
3. BIR Tax Identification No. 227-599-320
4. Exact name of issuer as specified in its charter: CEBU LANDMASTERS, INC
5. Province, Country or other jurisdiction of incorporation or organization:
CEBU CITY, CEBU, PHILIPPINES
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of the issuer's principal office and postal code:

10TH FLOOR, PARK CENTRALE, B2 L3, JOSE MA. DEL MAR ST.,
CEBU IT PARK, APAS, CEBU CITY
Postal code: 6000

9. Issuer's telephone number, including area code: (032) 231-4870
10. Former name, former address, former fiscal year: Not applicable
11. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

Stock Exchange: Philippine Stock Exchange

Securities listed: Common shares
Preferred shares

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

I. MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

As of March 31, 2026, CLI has a total of 132 projects in different development stages and established a diverse portfolio of residences, offices, hotels, mixed-use properties, and townships across 18 key cities in the VisMin region.

In 2025, an independent study by Colliers International reaffirmed CLI's leadership in the VisMin residential market. Based on net sales for the period July 2024 to June 2025, the study identified CLI as the top residential developer in the region, with an 18% residential market share. The Company continues to maintain a strong presence across key VisMin cities, supported by sustained demand for its developments.

The Company has also received various industry recognitions. At the 2025 PropertyGuru Philippines Property Awards, CLI was recognized as Best Housing Developer in the Philippines, Best Developer in Visayas, and Best Developer in Mindanao. The Company was likewise named Employer of the Year Exemplar – Visayas at the 2025 People Management Association of the Philippines Awards. In addition, CLI received a 2 Golden Arrow award under the ASEAN Corporate Governance Scorecard by the Institute of Corporate Directors. Other recognitions during the year include the Green Initiative Award at the 2025 ACES Awards, two Bronze Stevie Awards for Innovative Achievement in Corporate Social Responsibility and Innovation in Annual Reports, and the Outstanding Large Corporation II award at the 2025 Land Bank Gawad Tanyag.

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

COMPANY MILESTONES

During the initial quarter of 2026, CLI, in partnership with the Archdiocese of Cebu, officially opened Patria de Cebu, a 21,000-square meter mixed-use heritage development strategically located within Cebu's historic district. The project integrates retail, office, and hospitality components while preserving the site's cultural

significance through a Filipino-Spanish inspired architectural design. Ahead of the Sinulog festivities, Patria de Cebu commenced operations with the opening of several retail, food and beverage, wellness, and essential service tenants, further contributing to the revitalization of Cebu's downtown commercial corridor.

CLI likewise reinforced its commitment to sustainable urban development through its partnership with Xavier University for the construction of the Php120-million Manresa Access Road in Cagayan de Oro City. Fully funded by CLI, the infrastructure project is expected to improve connectivity between Uptown and Downtown Cagayan de Oro and support the long-term development of Manresa Town, the Company's 14.6-hectare university township seamlessly connected to Xavier University's Masterson Campus. Scheduled for completion by the fourth quarter of 2027, the project underscores CLI's strategy of integrating infrastructure support within its township developments.

In line with its Luzon expansion strategy, CLI secured an approximately 70-hectare property in Dasmariñas, Cavite, earmarked for the Company's flagship township development in Luzon. The master-planned estate is envisioned to deliver approximately 6,000 residential units alongside commercial, institutional, and estate components in multiple phases. Initial launches are targeted between 2027 and 2028, further expanding CLI's geographic footprint beyond the Visayas and Mindanao regions.

Meanwhile, CLI Hotels and Resorts expanded the Company's hospitality portfolio with the opening of Radisson RED Cebu Mandaue, the first Radisson RED hotel in the Philippines. The Php1.99-billion development features 144 hotel keys, contemporary dining concepts, lifestyle amenities, and flexible event spaces. The opening marks CLI's fifth operational hotel and further strengthens the Company's recurring income base, complementing its core residential business while supporting the continued growth of tourism and business activity in Cebu.

As of March 31, 2026, Cebu Landmasters, Inc. ("CLI") recorded consolidated revenues of PHP 5.98 billion, representing a 20% increase year-on-year. The growth was primarily driven by the 21% increase in real estate sales to ₱5.78 billion from ₱4.79 billion, excluding lot sales which were reclassified to other income following the applicable regulatory ruling. The increase in real estate revenues was supported by sustained construction progress across existing projects and the continued recognition of sold units during the period. Parent net income after tax reached PHP 880.85 million, supported by reservation sales of PHP 4.58 billion and a strong 92% sell-out rate across the Company's residential developments.

The Company's recurring income businesses likewise posted steady growth during the quarter, with hospitality revenues increasing by 14% amid improving tourism activity and the contribution of newly opened hotel properties, while leasing revenues also grew by 14% driven by higher occupancy and the expansion of the leasing portfolio.

CLI further strengthened its financial position, with net debt-to-equity ratio improving to 1.59x as of March 31, 2026. Total assets stood at PHP 139.67 billion at period-end, reflecting the continued expansion of the Company's development and investment portfolio.

COMPANY MILESTONES FOR THE PERIOD ENDED DECEMBER 31, 2025

For the year ended December 31, 2025, Cebu Landmasters, Inc. (CLI) continued to strengthen its presence across VisMin while taking a significant step in expanding beyond its core markets. The Company further solidified its footprint in the region through ongoing developments, including its mixed-use landbank in Liloan, Cebu, while marking a key milestone with its entry into Luzon. CLI recently secured a 70-hectare property in Dasmariñas, Cavite—its first major investment in Luzon—expected to support a future township in one of the region's fastest-growing corridors and opening a new phase in its geographic expansion.

As of year-end, CLI has a total of 132 projects across residential, office, hotel, co-living, co-working, mixed-use, and township developments in 18 key cities across the Visayas and Mindanao. During the year, the Company maintained a strong launch pipeline, rolling out more than 4,500 residential units with a combined sales value of approximately ₱31.3 billion across Cebu, Cagayan de Oro, Palawan, and General Santos.

Key project launches were met with strong market reception. One Manresa Place in Cagayan de Oro generated ₱4 billion in sales within two days and reached ₱5 billion within two weeks, achieving around 96% take-up shortly after launch. Similarly, Casa Mira Homes GenSan recorded ₱4.3 billion in sales within three days and was fully sold out within the year. These strong performances contributed to a high overall sell-out rate of 91% across completed, ongoing, and newly launched developments, underscoring sustained end-user demand in CLI's core markets.

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

Sustained Industry Recognition and Awards

CLI continued to receive strong industry recognition in 2025, reaffirming its leadership in the VisMin real estate market. During the year, the Company was recognized at the PropertyGuru Philippines Property Awards, where it secured major accolades including Best Housing Developer, Best Developer (Visayas), and Best Developer (Mindanao)—highlighting its consistent delivery of quality developments and strong market presence across the region.

CLI's winning streak as the Top 10 Developers in the Philippines by BCI Asia for the seventh straight year reinforces its reliability and innovation in real estate development.

The 2025 Asia-Pacific Stevie Awards again recognized CLI, as one of the Silver Stevie Winners for Innovative Achievement in Corporate Social Responsibility. This distinction represents the Company's unwavering dedication to sustainability and exceptional efforts in improving the environment and society at large.

In addition, CLI earned recognition for its sustainability efforts, receiving the 2025 Green Initiative Award, reflecting its commitment to environmentally responsible development and long-term value creation.

In 2025, CLI received another award from ACES recognizing its green initiatives citing its tree growing program, initial steps towards circularity in plastic waste management and its green building certification.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to March 1, 2026 vs January 1 to March 31, 2025

Cebu Landmasters Inc. demonstrated a steady performance in the first quarter of 2026, with consolidated revenue increasing by 20% to reach ₱6.506 billion from ₱4.97 billion in the same period last year. This growth was driven by expansion across all business segments, highlighting robust market demand. Consequently, the company achieved -12% in net income to parent, from ₱995.37 million to ₱880.85 million.

REVENUES

Real estate sales

Real estate sales recorded a 21% year-over-year increase in revenue to ₱5.78 billion from ₱4.79 billion, excluding lot sales which were reclassified to other income following the applicable regulatory ruling. A key contributor to this growth is supported by steady construction progress and the recognition of additional units.

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

Revenue per Market segment reported the following performance:

Premier Masters (Premier market) reported revenue of ₱1.65 billion, reflecting an increase of 144% year-on-year from ₱675 million. This increase can be attributed to significant revenue qualifications from Costa Mira Beachtown Panglao.

Garden Series (Mid-market), posted a revenue of ₱2.07 billion from ₱2.44 billion reflecting a decrease of 15%. This decrease can be attributed to significant revenue qualifications in the previous year related to Velmiro Heights Davao and Mindara Residences.

Casa Mira Series (Economic market) generated revenue from ₱1.59 billion to ₱1.99 billion. The 25% growth was driven by Casa Mira Homes Gen San.

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

Leasing

The company posted strong growth in rental revenues, reaching ₱60.15 million, up 14% from ₱50.73 million in the same period last year. The increase was driven by higher occupancy from completed commercial projects, the entry of new retail tenants, and the continued expansion of CLI's leasing portfolio.

CLI has substantially expanded its Gross Leasable Area (GLA) by 76% to 71,241 square meters from 40,575 square meters last year, supported by the completion and turnover of Banilad Highstreet and the Drive-Thru spaces in Davao Global Township, both of which achieved full lease occupancy. Additional contributions came from the DGT Pavilion, DGT Retail Pads, expansions in DGT City Center, LPU Town Center, and Paragon Lifestyle Mall, as well as the opening and tenant take-up of Astra Mall, which is expected to further strengthen recurring rental revenues moving forward.

Additional recurring income contributions are likewise expected from Patria de Cebu, CLI's heritage-inspired mixed-use development in downtown Cebu developed in partnership with the Archdiocese of Cebu. The project has started welcoming retail tenants and commercial establishments following its opening earlier this year.

With a larger leasing portfolio and higher occupancy, CLI is well positioned to generate higher rental revenues in the coming years, maximize the use of its commercial properties, and strengthen its presence in the retail and leasing market.

Hotel operations

The Company continued to expand its hospitality portfolio during the period in line with its strategy to strengthen recurring income streams and capitalize on the growing tourism and hospitality market in VisMin. Reinforcing this strategy, CLI Hotels and Resorts recently opened Radisson RED Cebu Mandaue, a ₱1.99 billion development and the first Radisson RED hotel in the Philippines. The 144-key full-service hotel offers five room categories, dining concepts, lifestyle amenities, and flexible event spaces, further enhancing the Company's presence in the hospitality sector and introducing the internationally recognized Radisson RED brand to Cebu.

The Company likewise expanded its footprint outside Cebu City through the opening of the 200-room Citadines Bacolod City, currently the largest international hotel in Bacolod. Following these openings, CLI's operational hospitality portfolio increased

to five properties, consisting of Citadines Cebu City, Iyf Cebu City at Base Line Center, The Pad Co-Living in Banilad High Street, Radisson RED Cebu Mandaue, and Citadines Bacolod City.

Driven by improving tourism activity and the contribution of newly opened properties, hotel revenues increased by 14% to ₱119.30 million from ₱104.57 million in the same period last year. The Company also continues to expand its hospitality pipeline with the upcoming completion of the 263-room Citadines Paragon Davao by the end of 2025 and six additional hotel developments currently under construction, supporting the Company's long-term recurring income growth strategy

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 ₱30.85 Million, these are fees charged to CLI's joint venture companies for managing the development of the project.

COST AND EXPENSES

Cost of sales and services

In line with the growth in revenue performance, the company's cost of sales for the three months ending March 31, 2026, was reported at ₱2.93 billion, 13% year-over-year increase from ₱2.59 billion of the same period last year.

Operating Expenses

Total operating expenses during the period amounted to ₱1.07 billion, a 4% y-o-y increase from ₱1.03 billion of the same period in 2025.

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

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

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

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

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

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

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

Also, 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.

Recently, on August 8, 2025, Cebu Landmasters Inc. secured a ₱3,000,000,000 Sustainability-Linked Notes (SLNs) with the following tenors:

- Series F – maturity of 7 years; coupon rate of 6.9532% & 6.8727 %
- Series G – maturity of 10 years; coupon rate 7.3652% & 7.3024%

Subscribed by leading institutional investors, the proceeds will be used to fund real estate projects in fast-growing Visayas and Mindanao areas, as well as for general corporate purposes.

This Sustainability-Linked Notes issuance gives CLI long-term funding while linking its capital to measurable environmental and social outcomes. It demonstrates the company's commitment to sustainable development and supports its continued growth in the Visayas and Mindanao markets.

NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)

For the period ending March 31, 2026, NIAT attributable to NCI saw a decrease from ₱146 million in Q1 2026 from ₱329 million. This decrease is due to lower income contribution from completing JV projects.

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

As of March 31, 2026, vs December 31, 2025

CLI's balance sheet remains steady and healthy to support construction and expansion plans. As of March 31, 2026, CLI reported total assets of ₱139.67 billion, an increase of 4% from ₱134.16 billion as of December 31, 2025 driven by progress in construction from sold units.

ASSETS

26% increase in Cash and cash equivalents

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

294% increase in Receivables (including non-current portion)

Increased from ₱6.22 billion to ₱24.54 billion is attributable to several real estate projects that reached 100% completion as at the end of the interim period. Under the Company's policy, contract receivables are recognized or reclassified from contract assets, when the performance obligation is satisfied, and the entity has an

unconditional right to payment, meaning the percentage of completion of the project is at 100%.

27% decrease in Contract assets (including non-current portion)

from ₱55.60 billion to ₱40.82 billion primarily due to the completion and turnover of installment contracts from existing projects

7% increase in Real Estate Inventories

from ₱21.17 billion to ₱22.57 billion mainly due to lot acquisitions for future development projects and progression of development activities in newly launched and ongoing projects.

30% increase in Deposits on land for future development

from ₱782.30 million to ₱1.02 billion mainly due to additional payments made for the acquisition of strategic landbank properties, including parcels located in Dasmariñas, Cavite, intended for future residential, commercial, and mixed-use developments.

12% increase in Due from related parties

Due to transactions paid by CLI (Parent) on behalf of its related parties from ₱78.39 million to ₱87.73 million.

12% decrease in Prepayments and other current assets

from ₱10.46 billion to ₱9.25 billion significantly due to decreased advances to subcontractors.

3% increase in Property and equipment

from ₱12.97 billion to ₱13.38 billion primarily attributable to the continued development and increase in construction-in-progress and other ongoing capital expenditures.

5% increase in Investment properties

from ₱21.03 billion to ₱22.07 billion attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort and Davao Global Township.

44% decrease in Non-current assets

from ₱1.57 billion to ₱.88 billion due to commissions paid in advance for future periods are now moving into the current period (increased current prepaid commissions).

LIABILITIES

2% increase in Interest-bearing loans and borrowings (including non-current portion)

from ₱60.65 billion to ₱61.86 billion reflects stability, coupled with the strategic decision to raise funds through preferred shares to support ongoing and future project developments.

10% increase in Trade payables (including non-current portion)

from ₱28.73 billion to ₱31.86 billion due to accruals made on unbilled costs to match with revenue recognized.

50% decrease in Redeemable Preferred Shares

from ₱1.59 billion to ₱796.5 million primarily attributable to the reduction in outstanding redeemable preferred shares during the period. This pertains to NTTUDA subscription to 796,500 non-voting redeemable preferred shares of CLVI at P2,000 per share, for a total subscription amount of P1,593,000,000.

12% decrease in Contract liabilities

from ₱345.03 million to ₱305.05 million mainly due to the recognition of revenues from previously collected buyer advances upon satisfaction of revenue recognition requirements.

56% decrease in Income tax payable

from ₱39.23 million to ₱17.15 million mainly due to the settlement of outstanding income tax obligations and lower accrual of income tax due for the period.

14% increased Deferred tax liabilities - net

from ₱6.57 billion to ₱7 billion due to additional accrual of Net Profit in 2026 recognized tax liability on taxable temporary differences.

EQUITY

6% increase in Parent Company's Retained Earnings

from ₱13.70 billion in December 2025 to ₱14.58 due to the Net Profit recognized during the period

I. KEY PERFORMANCE INDICATORS

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

	YTD March 31, 2026	YTD March 31, 2025
Gross Profit Margin ¹	51%	48%
Net Income Margin ²	17%	27%
EBITDA ³	₱2.22 billion	₱2.69 billion
EBITDA Margin ⁴	37%	54%
Interest Coverage Ratio ⁵	10.14	10.79
	As of March 31, 2026	As of December 31, 2025
Return on Assets ⁶	3%	3%
Return on Equity (Parent) ⁷	16%	17%
Current Ratio ⁸	1.91	1.44
Net Debt to Equity Ratio ⁹	1.59	1.66

Debt to Equity Ratio ¹⁰	1.69	1.66
------------------------------------	------	------

1. *Gross Profit Margin is gross profit as a percentage of revenues.*
2. *Net Income Margin is consolidated net income as a percentage of revenues.*
3. *EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations, and before exceptional items.*
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.*
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*

The Company's gross profit margin is dependent on the mix of revenue during the period. During the first three months of 2026, 36% of the Company's topline was attributable to Garden Series 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 51%. Meanwhile, Net Income Margin remains stable at 17%.

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

For the period ended March 31, 2026, all other ratios remain healthy with Return on Assets at 3% and Return on Equity (Parent) at 16%. Net Debt to Equity ratio improved to 1.59x significantly due to the Company's current ratio projected ample liquidity at 1.91x.

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

KPIS SUBJECT OF LOAN COVENANTS

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

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

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

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

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

II. OTHER INFORMATION

ITEM 1 1st QUARTER 2026 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, President, and Chief Executive Officer (CEO)
Ma. Rosario B. Soberano	Director, Treasurer, and Executive Vice-President
Jose Franco B. Soberano	Director, Chief Operating Officer (COO), and Senior Executive Vice-President
Beauregard Grant L. Cheng	Non-Executive Director
Joanna Marie S. Bergundthal	Director, Executive Vice-President for Marketing, HR, Commercial Leasing & Treasurer
Rufino Luis T. Manotok	Lead Independent Director
Ma. Aurora D. Geotina-Garcia	Independent Director
Atty. Ma. Jasmine S. Oporto	Independent Director
Dr. Winston Conrad B. Padojinog	Independent Director
Eugene S. Acevedo	Independent Director
Stephen A. Tan	Non-Executive Director

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

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

F. Declaration of Dividends.

On April 7, 2026, the BOD approved the declaration of regular cash dividends amounting to P0.18 per share with record date on April 22, 2026 which was paid on May 6, 2026.

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

As of March 31, 2026, the Company holds ownership interests in the following subsidiaries and associates:

Entity	Effective Percentage of Ownership	
	2026	2025
<i>Subsidiaries</i>		
(1) A.S. Fortuna Property Ventures, Inc. ("ASF")	100	100
(2) CLI Hotels and Resorts, Inc. ("CHR")	100	100
(3) CLI Premier Hotels Intl. Inc. ("CPH")	100	100
(4) Cebu Landmasters Property Management, Inc. ("CPM")	100	100
(5) CLI-LITE Panglao Inc. ("CLI-LITE")	88	88
(6) BL CBP Ventures, Inc. ("BL Ventures")	50	50
(7) Yuson Excellence Soberano, Inc. ("YES")	50	50
(8) Yuson Huang Excellence Soberano, Inc. ("YHES")	50	50
(9) YHEST Realty and Development Corporation ("YHEST")	50	50
(10) CCLI Premier Hotels, Inc. ("CCLI")	50	50
(11) YHES Premier Hotel Inc. ("YHESPH")	50	50
(12) Mivesa Garden Residences, Inc. ("MGR")	45	45
(13) El Camino Developers Cebu, Inc. ("El Camino")	35	35
(14) Cebu Homegrown Developers, Inc. ("CHDI")	50	50
(15) Cebu BL-Ramos Ventures, Inc. ("CBLRV")	50	50
(16) Ming-Mori Development Corporation ("MDC")	78	78
(17) GGTT Realty Corporation ("GGTT")	50	50
(18) Sugbo Prime Estate, Inc. ("SPE")	64	64
(19) CLI Mac Developers, Inc. ("CLI MAC")	60	60
(20) Cebu Luzon Ventures, Inc. ("CLVI")	60	100
(21) CLI NUD Ventures, Inc. ("CLI NUD")	60	60
(22) CLI Water, Inc. ("CWI")	100	100
Entity	Effective Percentage of Ownership	
	2025	2024
<i>Associates</i>		

(23) Magspeak Nature Park, Inc. (“ Magspeak ”)	25	25
(24) Icom Air Corporation (“ ICOM ”)	33	33
(25) Iloilo Global City Corporation (“ IGCC ”)	43	43

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

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

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

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

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

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

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

YHES was incorporated on November 10, 2017, to develop the Paragon Davao, a 1.9-ha property in Riverside Davao. The development will become

a mixed-use real estate which will include a residential, retail, hotel, and convention center. YHES Inc., is a JV of CLI, Yuson Strategic Holdings Inc., and Davao Filandia Realty Corp. Its principal office is located at MesaTierra Garden Residences Showroom, E. Quirino Avenue, Davao City.

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

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

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

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

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

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

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

MMDC was incorporated on August 1, 2013, to undertake and execute land reclamation projects, submit bids, and accept awards for reclamation projects, and manage, hold, and sell reclaimed land and other real property. MMDC is the private consortium that has proposed to undertake the Ming-Mori Reclamation Project of the Municipality of Minglanilla, which involves the development of the Minglanilla TechnoBusiness Hub, a 100-ha.

techno-business park in the progressive town of Minglanilla, a mere 30 minutes away from Cebu City. The Company has increased its stake to 78% from 20% in MMDC in 2021. This transaction enabled CLI to become the project manager and principal developer of the reclamation project.

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

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

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

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

CWI was incorporated in 2025 as a wholly owned subsidiary of CLI to supply water to CLI’s various projects. The principal place of business of CWI is located in Cebu City. As at March 31, 2026, CWI has yet to start commercial operations.

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

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

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

CLI NUD was incorporated in 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd. (NTTUDA) for the development of a mixed-use condominium project in Cebu City. In 2025, CLI exercised control over CLI NUD through its authority to direct operational activities and govern strategic and financial policies. CLI NUD started its commercial operations in August 2025. The principal place of business of CLI NUD is located in Cebu City.

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

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

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

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

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

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

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

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

Not Applicable

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

None

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

None

III. OTHER NOTES FOR THE FIRST QUARTER OF 2026 OPERATIONS AND FINANCIALS

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

None

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

None

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

None

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

See Notes to Financial Statements and Management Discussion and Analysis.

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

None

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

None

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

None

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

None

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

None

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

None.

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

For the first quarter of 2026, a total of ₱5.6 Bn was spent, with the majority, or 59% for acquisitions.

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


PAQUITA RAFOLS
Chief Financial Officer

DATE

May 12, 2026


Republic of the Philippines)
City of Cebu City) S.S.

SUBSCRIBED AND SWORN to me before this MAY 12 2026,
personally appeared Paquita T Rafols, who is personally known to me to be the same
person who signed the foregoing *SEC 17Q* in my presence and swore as to said
document that she understood the contents thereof and that the same is her free and
voluntary act and deed and of the Company represented herein.

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

Doc. No. 370;
Page No. 75;
Book No. 18;
Series of 2026.




ATTY. EDELINE O. COSICOL
Notary Public
Notarial Commission No. 040-23 Cebu City
Valid until December 31, 2026
Roll of Attorneys No. 82445
MCLE Compliance No. VIII-0000258, issued on 08-30-2022
PTR No. 1580267 : 12-12-2025, Cebu Province
IBP No. 586024 ; 01-04-2026; Cebu Chapter
Room 1706 17th Floor Park Centrale Tower,
J.M. Del Mar St., Cebu I.T. Park, Apas, Cebu City

**STATEMENT OF MANAGEMENT APPROVAL
OF FINANCIAL STATEMENTS**

The management of Cebu Landmasters, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, including the schedules attached herein, for the three months ended March 31, 2026 and 2025, 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.

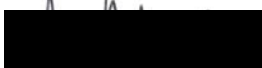
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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


Jose R. Soberano III
Chairman of the Board and Chief Executive Officer

TIN: 


Ma. Rosario B. Soberano
Executive Vice President and Treasurer

TIN: 


Paquita Tigüe-Ratols
Chief Financial Officer

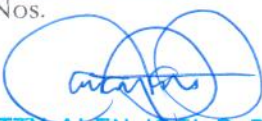

TIN: 

Signed this 11th day of May 2026.

SUBSCRIBED AND SWORN to before me this MAY 11 2026 at Cebu City,
affiants exhibiting to me their respective Tax Identification Nos.

Doc No. 28 ;
Page No. 7 ;
Book No. 5 ;
Series of 2026




ATTY. ALEN JOEL R. PITA
Notarial Commis
Valid until 

MCLE Compliance No. VIII-0026482, issued on 04-16-2025
PTR No. 1580268 : 12-12-2025, Cebu Province
IBP No. 568400 : 12-19-2025, Cebu Chapter
Room 1706 17th Floor Park Central Tower

10th Floor, Park Central, J.M. del Mar St., Cebu IT Park, Apas, Cebu City
Tel. No. (032) 231 - 4914 & (032) 231 - 4870 or Telefax (032) 231 - 5073

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

<u>A S S E T S</u>	Notes	March 31 2026 <u>Unaudited</u>	December 31 2025 <u>Audited</u>
CURRENT ASSETS			
Cash and cash equivalents	4	P 3,826,834,111	P 3,040,615,556
Receivables - net	5	23,376,930,934	4,707,683,379
Contract assets - net	17	17,294,419,101	17,104,926,866
Real estate inventories	6	22,568,661,633	21,173,330,063
Deposits on land for future development	7	1,018,717,875	782,304,850
Due from related parties	25	87,727,036	78,394,118
Prepayments and other current assets	8	<u>9,246,328,270</u>	<u>10,463,495,982</u>
Non-current asset held-for-sale		-	-
Total Current Assets		<u>77,419,618,960</u>	<u>57,350,750,814</u>
NON-CURRENT ASSETS			
Receivables - net	5	1,162,037,845	1,516,846,742
Contract assets - net	17	23,528,427,831	38,497,094,963
Investments in associates	9	175,223,528	175,275,580
Property and equipment - net	10	13,383,537,827	12,969,185,066
Right-of-use assets	11	1,056,006,670	1,056,794,863
Investment properties - net	12	22,065,038,021	21,026,009,305
Other non-current assets - net	13	<u>880,217,538</u>	<u>1,565,352,088</u>
Total Non-current Assets		<u>62,250,489,260</u>	<u>76,806,558,607</u>
TOTAL ASSETS		P 139,670,108,220	P 134,157,309,421
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	P 5,284,974,548	P 6,797,561,915
Bonds Payable	15	2,763,194,048	2,763,194,048
Trade and other payables	16	31,897,615,071	29,751,973,554
Contract liabilities	17	303,045,808	345,034,388
Customers' deposits	17	112,561,952	130,665,228
Lease liabilities	11	71,793,142	70,824,271
Income tax payable		<u>17,149,124</u>	<u>39,229,491</u>
Total Current Liabilities		<u>40,450,333,693</u>	<u>39,898,482,895</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	42,695,321,664	39,976,233,296
Bonds payable	15	11,116,163,537	11,111,294,563
Trade and other payables	16	554,671,741	566,795,667
Lease liabilities	11	1,241,292,047	1,245,462,755
Post-employment defined benefit obligation		59,610,163	59,610,163
Deferred tax liabilities - net		<u>7,001,759,280</u>	<u>6,572,676,251</u>
Total Non-current Liabilities		<u>62,668,818,432</u>	<u>59,532,072,695</u>
Total Liabilities		<u>103,119,152,125</u>	<u>99,430,555,590</u>
EQUITY			
Equity attributable to shareholders of Parent Company	26	23,292,084,264	22,411,230,806
Non-controlling interest		<u>13,258,871,832</u>	<u>12,315,523,025</u>
Total Equity		<u>36,550,956,096</u>	<u>34,726,753,831</u>
TOTAL LIABILITIES AND EQUITY		P 139,670,108,221	P 134,157,309,421

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Notes	Jan to Mar 2026 Unaudited	Jan to Mar 2025 Restated	Jan to Mar 2025 Reported
REVENUES	17			
Sale of real estates		P 4,978,262,743	P 4,269,270,073	P 5,805,070,073
Interest income from real estate sales		797,560,849	517,979,561	517,979,561
Hotel operations		119,129,712	104,569,649	104,569,649
Rental		60,151,922	52,731,699	52,731,699
Management fees		<u>30,850,424</u>	<u>25,954,269</u>	<u>25,954,269</u>
		5,985,955,650	4,970,505,251	6,506,305,251
COST OF SALES AND SERVICES	18	(<u>2,926,620,983</u>)	(<u>2,592,567,374</u>)	(<u>2,981,094,629</u>)
GROSS PROFIT		3,059,334,667	2,377,937,877	3,525,210,622
OPERATING EXPENSES	19	(1,067,539,330)	(1,026,008,353)	(1,026,008,353)
OTHER OPERATING INCOME	20	<u>98,577,978</u>	<u>1,254,023,743</u>	<u>106,750,998</u>
OPERATING PROFIT		2,090,373,315	2,605,953,267	2,605,953,267
FINANCE COSTS	21	(684,972,001)	(721,816,133)	(721,816,133)
FINANCE INCOME		58,320,915	18,093,859	18,093,859
SHARE IN NET LOSS OF ASSOCIATES	9	(52,055)	(484,155)	(484,155)
IMPAIRMENT LOSS ON FINANCIAL ASSETS		(80,039)	140,181	140,181
OTHER GAINS (LOSSES)	20	(<u>1,962,015</u>)	(<u>374,453</u>)	(<u>374,453</u>)
PROFIT BEFORE TAX		1,461,628,120	1,901,512,566	1,901,512,566
TAX EXPENSE	24	(<u>433,925,856</u>)	(<u>577,038,006</u>)	(<u>577,038,006</u>)
NET PROFIT		<u>P 1,027,702,264</u>	<u>P 1,324,474,560</u>	<u>P 1,324,474,560</u>
Net profit attributable to:				
Parent Company's shareholders		P 880,853,457	P 995,371,058	P 995,371,058
Non-controlling interests		<u>146,848,807</u>	<u>329,103,502</u>	<u>329,103,502</u>
		<u>P 1,027,702,264</u>	<u>P 1,324,474,560</u>	<u>P 1,324,474,560</u>
Earnings per Share:				
Basic and diluted	26	<u>P 0.25</u>	<u>P 0.29</u>	<u>P 0.29</u>

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	<u>Jan to Mar 2026 Unaudited</u>	<u>Jan to Mar 2025 Restated</u>	<u>Jan to Mar 2025 Reported</u>
NET PROFIT	P 1,027,702,264	P 1,324,474,560	P 1,324,474,560
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not be reclassified subsequently to profit or loss	-	-	-
Gain (loss) on remeasurements of post-employment defined benefit plan	-	-	-
Tax income (expense)	-	-	-
TOTAL COMPREHENSIVE INCOME	P 1,027,702,264	P 1,324,474,560	P 1,324,474,560
Total comprehensive income attributable to:			
Parent Company's shareholders	P 880,853,457	P 995,371,058	P 995,371,058
Non-controlling interests	P 146,848,807	P 329,103,502	P 329,103,502
	P 1,027,702,264	P 1,324,474,560	P 1,324,474,560

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026 AND MARCH 31, 2025
(Amounts in Philippine Pesos)

	Attributable to Shareholders of Parent Company											
	Capital Stock (See Note 26)		Additional Paid-in Capital (See Note 26)	Treasury Stock (See Note 26)	Share Options Outstanding (See Note 26)	Revaluation Reserves (See Note 26)	Retained Earnings (See Note 26)			Non-controlling Interests (See Note 26)		
	Common	Preferred					Appropriated	Unappropriated	Total	Total	Total	Total
Balance at January 1, 2026												
As previously reported	3,623,451,997	4,280,340	5,855,925,221	(732,664,604)	7,059,255	(43,922,873)	4,766,378,338	8,930,723,133	13,697,101,471	22,411,230,807	12,315,523,025	34,726,753,832
Transactions with owners												
Non-controlling interests arising from step acquisition	-	-	-	-	-	-	-	-	-	-	796,500,000	796,500,000
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-
Stock option granted	-	-	-	-	-	-	-	-	-	-	796,500,000	796,500,000
Appropriation of retained earnings												
Reversal of appropriations during the year	-	-	-	-	-	-	(642,500,224)	642,500,224	-	-	-	-
	-	-	-	-	-	-	(642,500,224)	642,500,224	-	-	-	-
Total comprehensive income for the year												
Net profit for the year	-	-	-	-	-	-	-	880,853,457	880,853,457	880,853,457	146,848,807	1,027,702,264
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	880,853,457	880,853,457	880,853,457	146,848,807	1,027,702,264
Balance at March 31, 2026	P 3,623,451,997	P 4,280,340	P 5,855,925,221	(P 732,664,604)	P 7,059,255	(P 43,922,873)	P 4,123,878,114	P 10,454,076,814	P 14,577,954,928	P 23,292,084,264	P 13,258,871,832	P 36,550,956,096
Balance at January 1, 2025												
As previously reported	P 3,623,451,997	P 4,280,340	P 5,855,925,221	(732,664,604)	5,681,640	(P 34,689,866)	P 3,223,719,308	P 8,399,872,293	P 11,623,591,601	P 20,345,576,329	P 9,960,543,018	P 30,306,119,347
Effect of restatement - see Note 2	-	-	-	-	-	-	-	-	-	-	-	-
As restated	3,623,451,997	4,280,340	5,855,925,221	(732,664,604)	5,681,640	(34,689,866)	3,223,719,308	8,399,872,293	11,623,591,601	20,345,576,329	9,960,543,018	30,306,119,347
Transactions with owners												
Issuance of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Investments from non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	(400,000,000)	(400,000,000)
Stock option granted	-	-	-	-	-	-	-	-	-	-	(400,000,000)	(400,000,000)
Appropriation of retained earnings												
Appropriations during the year	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	-	(537,704,084)	537,704,084	-	-	-	-
	-	-	-	-	-	-	(537,704,084)	537,704,084	-	-	-	-
Total comprehensive income for the year												
Net profit for the year	-	-	-	-	-	-	-	995,371,058	995,371,058	995,371,058	329,103,502	1,324,474,560
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	995,371,058	995,371,058	995,371,058	329,103,502	1,324,474,560
Balance at March 31, 2025	P 3,623,451,997	P 4,280,340	P 5,855,925,221	(P 732,664,604)	P 5,681,640	(P 34,689,866)	P 2,686,015,224	P 9,932,947,435	P 12,618,962,659	P 21,340,947,387	P 9,889,646,520	P 31,230,593,907

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2026 AND MARCH 31, 2025
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>March 2026</u>	<u>March 2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 1,461,628,120	P 1,901,512,566
Adjustments for:			
Interest expense on:			
Loans	21	552,787,313	411,125,639
Lease liabilities	11	21,444,613	20,812,734
Bonds	21	43,914,699	119,794,288
Amortized debt issuance cost		11,844,443	17,134,679
Depreciation and amortization	19	75,338,119	62,772,446
Interest income	4	(32,406,679)	(14,818,888)
Share in net losses of associates	9	52,052	484,155
Impairment loss on financial assets		133,398	(140,181)
Loss (gain) on sale of property and equipment	10	-	(5,060)
Operating profit before working capital changes		2,134,736,078	2,518,672,378
Decrease (increase) in receivables		(18,314,572,056)	(5,525,703,526)
Decrease (increase) in contract assets		14,779,174,897	4,487,912,159
Decrease in real estate inventories		(1,395,331,571)	2,172,460,989
Increase in prepayments and other current assets		1,516,583,541	(383,669,713)
Increase in deposits on land for future development		(236,413,025)	(2,845,688,638)
Decrease in other non-current assets		683,745,529	37,212,554
Increase (decrease) in trade and other payables		1,950,119,869	3,995,583,684
Decrease in contract liabilities		(41,988,580)	(830,774,750)
Increase in customers' deposits		(18,103,276)	(4,890,754)
Decrease in post-employment defined benefit obligation		(0)	(5,800,894)
Cash used in operations		1,057,951,406	3,615,313,489
Cash paid for taxes		(326,339,021)	(176,417,261)
Net Cash Generated (Used) in Operating Activities		<u>731,612,385</u>	<u>3,438,896,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment		265,683,181	(604,785,581)
Acquisitions of investment properties		(316,365,320)	(1,173,019,849)
Right of use asset		(4,099,929)	-
Advances to related parties	25	(9,332,918)	-
Interest received	4	32,406,679	14,818,888
Collections of advances to related parties	25	-	(413,211)
Proceeds from sale of property and equipment	10	-	15,104
Acquisitions of computer software	13	-	(662)
Net Cash Used in Investing Activities		<u>(31,708,307)</u>	<u>(1,763,385,311)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of interest-bearing loans - net	14	7,284,382,682	4,610,054,857
Repayments of interest-bearing loans	14	(6,098,998,997)	(7,729,508,362)
Proceeds from issuances of bonds - net	15	-	4,932,678,949
Interest paid on interest-bearing loans		(1,651,349,262)	(581,999,150)
Cash dividends paid	26	-	(400,000,000)
Repayments of lease liabilities	11	(24,646,450)	-
Interest Paid on Lease Liabilities		-	(24,622,608)
Additional investment from non-controlling shareholders	25	796,500,000	-
Interest paid on bonds		(219,573,496)	(82,496,346)
Net Cash From Financing Activities		<u>86,314,477</u>	<u>724,107,340</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		786,218,555	2,399,618,257
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>3,040,615,556</u>	<u>1,583,238,995</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 3,826,834,111	P 3,982,857,252

See Notes to Consolidated Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARIES
(A Subsidiary of A B Soberano Holdings Corp.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Cebu Landmasters, Inc. (the Parent Company or CLI) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 26, 2003. CLI is presently engaged in real estate-related activities which include real estate development, sales, leasing and property management. The Parent Company's real estate portfolio includes residential condominium and subdivisions, mixed-use developments, townships, hotels and resorts, offices, and co-living accommodations.

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

On January 6, 2017, the Board of Directors (BOD) approved the Parent Company's application for the registration of its common stocks with the SEC and application for the listing thereof in the Philippine Stock Exchange (PSE). The Parent Company's shares were listed on the main board of the PSE on June 2, 2017 (see Note 26).

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

1.2 Subsidiaries, Associates and Joint Venture

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

Entities	Note	Effective Percentage of Ownership	
		2026	2025
<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 Water, Inc. (CWI)	(e)	100%	100%
CLI-LITE Panglao Inc. (CLI-LITE)	(f)	88%	88%
Ming-mori Development Corporation (MDC)	(g)	78%	78%
Sugbo Prime Estate, Inc. (SPE)	(h)	64%	64%
CLI Luzon Ventures, Inc. (CLVI)	(i)	60%	100%
CLI MAC Developers, Inc. (CLI MAC)	(j)	60%	60%
<i>(Forward)</i>			

Entities	Note	Effective Percentage of Ownership	
		2026	2025
<i>Subsidiaries</i>			
CLI NUD Ventures, Inc. (CLI NUD)	(k)	60%	60%
BL CBP Ventures, Inc. (BL Ventures)	(l)	50%	50%
Yuson Excellence Soberano, Inc. (YES)	(m)	50%	50%
Yuson Huang Excellence Soberano, Inc. (YHES)	(n)	50%	50%
YHEST Realty and Development Corporation (YHEST)	(o)	50%	50%
CCLI Premier Hotels, Inc. (CCLI)	(p)	50%	50%
Cebu Homegrown Developers, Inc. (CHDI)	(q)	50%	50%
YHES Premier Hotels Inc. (YHESPH)	(r)	50%	50%
Cebu BL-Ramos Ventures Inc. (CBLRV)	(s)	50%	50%
GGTT Realty Corporation (GGTT)	(t)	50%	50%
Mivesa Garden Residences, Inc. (MGR)	(u)	45%	45%
El Camino Developers Cebu, Inc. (El Camino)	(v)	35%	35%
<i>Associates</i>			
Iloilo Global City Corporation (IGCC)	(w)	43%	43%
ICOM Air Corporation (ICOM)	(x)	33%	33%
Magspeak Nature Park, Inc. (Magspeak)	(y)	25%	25%

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

- (a) CPH was incorporated in 2016 as a wholly owned subsidiary of CLI. CPH is engaged in the real estate and hotel management business. The principal place of business of CPH is located in Cebu City.
- (b) CPM was incorporated in 2017 as a wholly owned subsidiary of CLI. CPM is engaged in the management of condominium corporations and housing associations affiliated with CLI. The principal place of business of CPM is located in Cebu City.
- (c) ASF was incorporated in 2017 as a joint venture where CLI initially held 40% ownership interest. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary. The principal place of business of ASF is located in Cebu City.
- (d) CHR was incorporated in 2022 as a wholly owned subsidiary of CLI. It is engaged in managing the Group’s hotel projects. Its principal place of business is located in Cebu City.
- (e) CWI was incorporated in 2025 as a wholly owned subsidiary of CLI to supply water to CLI’s various projects. The principal place of business of CWI is located in Cebu City. As at March 31, 2026, CWI has yet to start commercial operations.
- (f) CLI-LITE was incorporated in 2021 as an undertaking by CLI and two other corporations for the development of a mixed-use project in Panglao Island, Bohol, which includes residential condominiums and a potential hotel component. The principal place of business of CLI-LITE is located in Cebu City.

- (g) 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. As at March 31, 2026, MDC has yet to start commercial operations.
- (h) SPE was incorporated in 2019 as a one person corporation and was converted to an ordinary stock corporation after entering into a joint venture with CLI in 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is located in Cebu City.
- (i) CLVI was incorporated in 2025 as an undertaking between CLI and NTT UD Asia Pte. Ltd. (NTTUDA), with the purpose of developing residential and mixed-use projects in Luzon. Its principal place of business is located in Cebu City. As at March 31, 2026, CLVI has yet to start commercial operations.
- (j) CLI MAC was incorporated in 2025 as an undertaking between CLI and Martinez Agricultural Corporation for the development of mixed-used condominium project in Cebu City. CLI exercised control over CLI MAC through its authority to direct operational activities and govern strategic and financial policies. The principal place of business is located in Cebu City. As at March 31, 2026, CLI MAC has yet to commence commercial operations.
- (k) CLI NUD was incorporated in 2024 as a joint venture between CLI and NTT UD Asia Pte. Ltd. (NTTUDA) for the development of mixed-use condominium project in Cebu City. In 2025, CLI exercised control over CLI NUD through its authority to direct operational activities and govern strategic and financial policies. CLI NUD started its commercial operations in August 2025. The principal place of business of CLI NUD is located in Cebu City.
- (l) BL Ventures was incorporated 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.
- (m) YES was incorporated 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.
- (n) 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.
- (o) 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.

- (p) 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 2024. The principal place of business of CCLI is located in Bacolod City.
- (q) CHDI is an undertaking between CLI and Ixidor Holdings, Inc. and was incorporated in 2019. CHDI is engaged in the development of a high-rise mixed-use condominium complex in Mandaue City, Cebu. The principal place of business of CHDI is located in Cebu City.
- (r) YHESPH was incorporated in 2019 as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. As at March 31, 2026, YHESPH has yet to start commercial operations.
- (s) CBLRV was incorporated in 2020 as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. The principal place of business is located in Cebu City.
- (t) GGTT was incorporated in 2003 and is engaged to construct a residential condominium project. The principal place of business of GGTT is located in Iloilo City.
- (u) MGR was incorporated in 2017 as an undertaking by CLI and three corporations for the construction of buildings 6 and 7 of the Mivesa Garden Residences condominium. MGR is considered a subsidiary of CLI because CLI is exposed, or has rights, to variable returns from its involvement with MGR and has the ability to affect those returns due to its full control on MGR's management. The principal place of business of MGR is located in Cebu City.
- (v) El Camino was incorporated in 2016 as an undertaking between CLI and four other corporations for the development of 38 Park Avenue condominium project in Cebu City. CLI controls El Camino's operations through a shareholder agreement and is considered its parent. The principal place of business of El Camino is located in Cebu City.
- (w) IGCC was incorporated in 2023 as an undertaking between CLI and two other corporations and is engaged in the development of a mixed-use condominium tower in Iloilo City. Its principal place of business is located in Iloilo City. As at March 31, 2026, IGCC has yet to commence commercial operations.
- (x) 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.
- (y) 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in preparing these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents a consolidated statement of comprehensive income separately from the consolidated statement of profit or loss.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(i) Reclassification of Properties Used in Hotel Operations

In 2025, the Group reclassified certain properties relating to prior periods to align their presentation with the Group's policy on classifying properties based on their intended use once sufficient information is available and the associated costs have been incurred to determine the asset's actual use. This policy requires classification to reflect the actual use of the asset rather than the original intent at initial acquisition.

The affected properties form part of mixed-use developments and were previously presented as investment properties when they were initially intended to be held for lease. Based on updated information on their actual utilization in hotel operations, the Group reclassified these properties as property and equipment to more faithfully reflect their current use. The revised classification is consistent with the classification principles under PAS 40, *Investment Property*, and PAS 16, *Property, Plant and Equipment*.

In accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, the reclassification was accounted for retrospectively as it relates to the refinement of a prior period classification of assets in prior periods rather than a

change in accounting policy or estimate. The retrospective application had a material effect on the presentation of the Group's consolidated statement of financial position as at January 1, 2024. Accordingly, comparative information was restated, and a third consolidated statement of financial position has been presented, as required under PAS 1.

(c) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS Accounting Standards

(a) *Effective in 2025 that is Relevant to the Group*

The Group adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the consolidated financial statements of the Group.

(b) *Effective Subsequent to 2025 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the Group's consolidated financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

- (iii) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027). The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The Parent Company accounts for its investments in subsidiaries, associates, joint arrangements and non-controlling interests as follows:

(a) Investments in Subsidiaries

Subsidiaries are consolidated from the date the Parent Company obtains control. The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill.

(b) *Investments in Associates*

Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investment in associate is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition.

(c) *Investments in Joint Arrangements*

Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the rights and obligations arising from the contractual arrangement. Classification is reassessed when facts and circumstances indicate that there are changes to one or more of the elements that determine the nature of the joint arrangement.

A joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities relating to the arrangement. For interests in joint operations, the Group recognizes in its consolidated financial statements its share of the assets that it controls, its share of the liabilities that it incurs, and its share of the income and expenses arising from the joint operation. No consolidation adjustments are required as the Group directly records its proportionate interest in the joint operation's assets, liabilities, income and expenses.

A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. Investments in joint ventures are initially recognized at cost and subsequently accounted for using the equity method.

(d) *Transactions with Non-controlling Interests*

The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests result in gains and losses for the Group that are also recognized in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.4 Real Estate Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Reposessed property arising from sales cancellation is recognized at cost.

2.5 Property and Equipment

Property and equipment, including land, are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses, except for land which is not subject to depreciation.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Buildings and parking units	20 years
Transportation equipment	5 years
Operating equipment	3-5 years
Furniture and fixtures	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

Construction in progress represents costs incurred, including applicable borrowing costs, for hotel and resort projects that are still under development. These assets are not depreciated until they are completed and available for use.

2.6 Investment Properties

Properties held for lease under operating lease agreements or capital appreciation, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets ranging from 20 to 50 years.

2.7 Other Non-financial Assets

Advances to subcontractors and suppliers, and deposits on land for future development are payments made for goods or services to be received in the future and are accounted for as non-financial assets in the nature of prepayments.

These amounts are classified in the consolidated statement of financial position based on the nature of the underlying asset: those related to real estate inventories are presented as current assets as they are expected to be realized within the Group's normal operating cycle, while amounts intended for the development of property and equipment, investment properties, or

other non-current assets are presented as non-current assets consistent with the classification of the respective underlying asset.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, hotel operations, rentals and management services.

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Sale of Real Estates in the consolidated statement of profit or loss.
- (c) *Rendering of management services* – Revenue from the rendering of management services is recognized over time as the services are provided to the client entities. The client entities are invoiced monthly as work progresses, which are also due upon receipt by them. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.
- (d) *Hotel operations* – Revenues are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Group.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commissions and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. The Group presents Deferred commissions as part of Prepayment and Other Current Assets when it is expected to be expensed within 12 months after the balance sheet date. Any remaining balance is presented as part of Other Non-current Assets.

Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

Under its contracts with customers, the Group recognizes Contract receivables, which is presented under Receivables account, when it has an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position.

Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets.

In determining the transaction price, the Group adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Group recognizes interest expense which is presented as part of Interest Income from Real Estate Sales in the consolidated statement of profit or loss. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Group recognizes interest income which is presented as part of Interest Income from Real Estate Sales in the consolidated statement of profit or loss.

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position.

Sales cancellations are accounted for as contract modification. The previously recognized cumulative revenues and the related cumulative costs are reversed in profit or loss in the period in which the cancellation occurs. In addition, any difference between the carrying amount of the contract balances derecognized and the cost of the repossessed property is likewise recognized in profit or loss.

2.9 Leases

(a) The Group as Lessee

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group accounts for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) The Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.13 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory, and administered by a trustee.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

3. SEGMENT INFORMATION

3.1 Business Segments

The Group's operating segments are organized and managed based on the nature of products and services provided. The Group's real estate segment covers the development and sale of residential and office units to individual and corporate buyers. The rental segment includes leasing of office and commercial spaces to corporate organizations. The management services segment focuses on the management of real estate projects and upkeep services to condominium corporations and housing associations. The hotel operations segment relates to the management of hotel business operations that caters hotel guest.

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

3.2 Segment Reporting

In identifying its operating segments, management generally follows the Group's products and service lines, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately, as each service line requires different resources and operating strategies. All inter-segment transfers are carried out at arm's length prices.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements, except that the following are not included in arriving at the operating profit of the operating segments:

- post-employment benefit expenses;
- expenses relating to share-based payments;
- research costs relating to new business activities; and,
- revenue, costs and fair value gains from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

3.3 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, real estate inventories, property and equipment, and investment properties, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and segment liabilities do not include deferred taxes.

3.4 Intersegment Transactions

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

3.5 Analysis of Segment Information

The following tables present revenue and profit information regarding industry segments for the years ended March 31, 2026, 2025 and certain assets and liabilities information regarding segments as at March 31, 2026 and 2025:

	2026					Consolidated
	Real Estate	Hotel Operations	Rental	Management Services	Elimination	
REVENUES						
Sale to external customers	5,775,823,592	119,129,712	60,151,922	30,850,424	–	5,985,955,650
Intersegment sales	1,850,409	8,896,888	16,791,025	18,467,908	(46,006,230)	–
Total revenues	5,777,674,001	128,026,600	76,942,947	49,318,332	(46,006,230)	5,985,955,650
COSTS AND EXPENSES						
Costs of sales and services	2,797,783,607	81,092,543	25,554,176	23,166,219	(975,562)	2,926,620,983
Operating expenses	995,183,090	93,610,516	4,641,838	1,522,201	(27,418,315)	1,067,539,330
Impairment Loss	–	80,039	–	–	–	80,039
Total costs and expenses	3,792,966,697	174,783,098	30,196,014	24,688,420	(28,393,877)	3,994,240,352
Segment results (loss)	1,984,707,304	(46,756,498)	46,746,933	24,629,912	(17,612,353)	1,991,715,298
Other operating income						98,577,979
Finance costs						(684,972,001)
Share in net loss of associates						58,320,916
Finance income						(52,055)
Other losses						(3,991,324)
Tax expense						(433,925,856)
Net profit						1,027,702,265
ASSETS AND LIABILITIES						
Segment assets	133,612,264,543	4,304,053,326	22,286,488,930	177,417,889	(18,567,065,470)	140,813,159,218
Segment liabilities	100,765,671,159	3,379,061,440	125,324,891	24,836,815	(2,017,180,560)	104,262,203,123
2025						
	Real Estate	Hotel Operations	Rental	Management Services	Elimination	Consolidated
REVENUES						
Sale to external customers	6,323,049,635	104,569,648	52,731,699	25,954,269	–	6,506,305,251
Intersegment sales	29,699,989	–	–	57,169,749	(86,869,738)	–
Total revenues	6,352,749,624	104,569,648	52,731,699	83,124,018	(86,869,738)	6,506,305,251
COSTS AND EXPENSES						
Costs of sales and services	2,882,904,729	81,050,273	17,229,612	16,098,602	(16,188,588)	2,981,094,628
Operating expenses	1,014,317,619	60,797,211	4,496,303	(1,716,465)	(51,886,319)	1,026,008,349
Impairment Loss	–	–	–	(140,181)	–	(140,181)
Total costs and expenses	3,897,222,348	141,847,484	21,725,915	14,241,956	(68,074,907)	4,006,962,796
Segment results (loss)	2,455,527,276	(32,277,836)	31,005,784	68,882,062	(18,794,831)	2,499,342,455
Other operating income						106,750,996
Finance costs						(721,816,133)
Share in net loss of associates						(484,155)
Finance income						18,093,860
Other losses						(374,455)
Tax expense						(577,038,006)
Net profit						1,324,474,562
ASSETS AND LIABILITIES						
Segment assets	103,630,677,680	3,773,955,302	20,845,641,307	166,281,543	(12,903,366,845)	115,473,188,987
Segment liabilities	82,229,850,783	3,287,870,590	104,297,333	124,835,800	(1,504,259,425)	84,242,595,081

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

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at March 31:

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Cash on hand	9,107,521	7,559,112
Cash in banks	3,607,562,743	1,860,554,518
Short-term placements	<u>210,163,847</u>	<u>1,172,501,926</u>
	<u>3,826,834,111</u>	<u>3,040,615,556</u>

Short-term placements are made for varying periods from 4 to 36 days and earn effective interest ranging from 1.75% to 5.50% per annum in 2026 and 2025.

Cash in banks (savings and demand deposits) generally earn interest based on daily bank deposit rates. Interest income earned from cash and cash equivalents amounted to P32,406,678 and P14,818,888 in March 31, 2026 and 2025, respectively, are presented as Finance Income in the consolidated statements of Profit or Loss.

5. RECEIVABLES

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Contract receivables:			
Third parties	17	20,227,157,113	2,689,407,733
Related parties	25.3, 25.4	2,962,013,507	2,294,494,227
Retention receivable		252,852,165	247,571,464
Management fee receivable		179,357,259	164,296,911
Receivable from contractors and suppliers		165,976,889	162,431,157
Rent receivable		140,905,376	100,498,441
Receivable from hotel operations customers		80,211,246	98,557,358
Advances to officers and employees		79,624,194	77,061,313
Receivable from insurance		77,669,806	67,763,900
Receivable from move-in fees		69,051,161	67,373,198
Other receivables		<u>305,464,356</u>	<u>256,255,314</u>
		24,540,283,072	6,225,711,016
Allowance for impairment		<u>(1,314,293)</u>	<u>(1,180,895)</u>
		<u>24,538,968,779</u>	<u>6,224,530,121</u>

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

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current	23,376,930,934	4,707,683,379
Non-current	1,162,037,845	1,516,846,742
	<u>24,538,968,779</u>	<u>6,224,530,121</u>

Buyers of real estate properties are given two to four years to complete the equity amortization, which ranges from 10% to 30% of the contract price of the real estate being purchased. Contract receivables, which are all covered by postdated checks, are only recognized when the collection of total transaction price is reasonably assured and the corresponding revenue is recognized. Generally, full payment by buyers of their equity amortization is followed by full settlement by the buyer's chosen financing institution of the buyer's account within 12 months. Title to real estate properties are transferred to the buyers once full payment has been made. Hence, contract receivables are fully secured by the real properties acquired by buyers.

Long-term contract receivables, which are noninterest-bearing, are receivables from buyers whose equity payments are expected to be fully paid after 12 months following the end of the reporting period. These are measured at amortized cost, which is determined by discounting future cash flows using the applicable rates of similar types of instruments. The aggregate unamortized discount on noninterest-bearing contract receivables amounts to P106,559,890 and P63,814,805 as at March 31, 2026 and December 31, 2025, respectively.

The Parent Company has day-one loss on noninterest-bearing contract receivables, net of amortization of day one loss, amounting to P43,488,910 and P 152,948,792 and is presented as part of Finance Costs in the 2026 and 2025 consolidated statements of profit or loss, respectively (see Note 21).

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

	March 31, 2026
Not yet due	21,629,024,208
Not more than 30 days	77,777,183
More than 30 days but less than 60 days	62,907,096
More than 60 days but less than 90 days	29,790,535
More than 90 days but less than 120 days	40,360,827
More than 120 days	1,349,310,771
	<u>23,189,170,620</u>

Retention receivable represents amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A to pay off their obligations to the Group.

Advances to officers and employees are composed of advances intended for the Group's operations and are subject to liquidation.

Receivable from insurance pertains to outstanding claims filed with various insurance companies in relation to damages incurred to the insured properties of the Group.

The Group assesses an ECL when the receivables from contract with customers and other counterparties are initially recognized and updates the assessment at each reporting date based on the analysis determined by management. A reconciliation of the allowance for impairment at the beginning and end of March 31, 2026 and December 31, 2025 is shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	1,180,895	2,436,656
Impairment losses	133,398	1,980,540
Write-off	-	(3,236,301)
Balance at end of year	<u>1,314,293</u>	<u>1,180,895</u>

6. REAL ESTATE INVENTORIES

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Condominium units		725,192,356	716,166,222
Subdivision units		249,005,402	199,582,401
		<u>974,197,758</u>	<u>915,748,623</u>
Construction-in-progress (CIP):			
Land development costs		12,730,251,154	12,827,606,197
Condominium building costs		3,332,298,356	2,272,836,943
Housing costs		2,276,577,343	2,171,437,289
		<u>18,339,126,853</u>	<u>17,271,880,429</u>
Raw land inventory	7	<u>3,255,337,022</u>	<u>2,985,701,011</u>
		<u>22,568,661,633</u>	<u>21,173,330,063</u>

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

Land development costs pertain to the cost of land acquisition, and site development costs of horizontal projects and other future site projects of the Group.

Condominium building costs consist of the cost of land and the cost to construct the units of the vertical projects of the Group. Housing costs pertain to the cost of house construction for the horizontal projects of the Group.

Raw land inventory consists of parcels of land owned by the Group in various locations. These are expected to be developed into saleable condominium or subdivision units.

As at March 31, 2026 and December 31, 2025, real estate inventories totaling to P9,543,711,592 and P7,816,486,575, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 14.1).

Based on management's assessment, there is no allowance for inventory write-down required to be recognized; hence, inventories are recorded at cost as at March 31, 2026 and December 31, 2025.

7. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

Deposits on land for future development pertains to advance payments for acquisitions of certain parcels of land which are intended for future development into saleable real estate projects. These are transferred to real estate inventories upon completion of the acquisition and satisfaction of the criteria for recognition as inventory, including completion of documentation and transfer of legal title or substantially all risks and rewards, as applicable.

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year		782,304,850	-
Additions		236,413,025	1,098,764,038
Transferred to raw land inventory	6	<u>-</u>	<u>(316,459,188)</u>
Balance at end of year		<u>1,018,717,875</u>	<u>782,304,850</u>

The deposits on land for future development are presented under Current Assets in the March 31, 2026 consolidated statement of financial position.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Deferred commissions		3,142,185,230	2,314,807,424
Advances to subcontractors		1,197,053,371	3,118,661,804
Input VAT and deferred input VAT		1,996,773,496	2,063,658,416
Advances to suppliers		1,190,922,434	1,155,578,813
Prepaid taxes		980,219,336	1,004,112,964
Restricted escrow fund		142,140,007	449,119,013
Short-term investments		362,600,121	220,581,011
Prepaid expenses		215,472,857	117,560,177
Others		<u>18,961,418</u>	<u>19,416,360</u>
		<u>9,246,328,270</u>	<u>10,463,495,982</u>

Advances to subcontractors and suppliers include advance payments for materials, payment of labor and overhead expenses for on-going construction of subdivision and condominium units for sale. These are applied against the progress billings of subcontractors and are classified as current assets as it is related to projects for sale.

Restricted escrow fund pertains to cash received by CLVI under an escrow arrangement related to NTTUDA's subscription of redeemable preferred shares (see Note 16). Under the terms of the agreement, the escrowed funds may be disbursed only for purposes mutually agreed upon by both parties and released solely upon their joint written instructions. The escrow fund consists entirely of cash held in savings accounts with a reputable bank. As at March 31, 2026, the fund is expected to be utilized within the next 12 months.

Short-term investments pertain to escrow funds that are required to be set up in relation to the Group's compliance with the regulatory requirements for issuance of license to sell, and are restricted for use in the Group's operations. The escrow funds are significantly comprised of investments in treasury bills with maturity dates of up to 12 months, earning effective interest ranging from 5.00% to 6.50% per annum in 2026 and 2025. This is presented as part of Interest income on banks under Finance Income in the consolidated statements of profit or loss (see Note 23).

Prepaid expenses include advance payment for insurance and rent.

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

9.1 Breakdown of Carrying Amounts

A reconciliation of the carrying amounts of investments in associates at the beginning and end of March 31, 2026 and December 31, 2025 is shown below.

(Amounts in PHP)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	175,275,580	152,506,039
Additional investments	-	23,250,000
Share in net profit (loss) during the year	<u>(52,052)</u>	<u>(480,459)</u>
Balance at end of year	<u>175,223,528</u>	<u>175,275,580</u>

An analysis of the carrying amount of the Parent Company's investments in associates and a joint venture as at March 31, 2026 and December 31, 2025 is shown below.

(Amounts in PHP)	<u>Associates</u>			<u>Total</u>
	<u>IGCC</u>	<u>Magspeak</u>	<u>ICOM</u>	
March 31, 2026				
Cost				
Balance at beginning of year	18,500,000	31,235,094	153,050,934	202,786,028
Balance at end of year	<u>18,500,000</u>	<u>31,235,094</u>	<u>153,050,934</u>	<u>202,786,030</u>
Accumulated equity in net losses				
Balance at beginning of year	(1,106,021)	(5,124,200)	(21,280,229)	(27,510,448)
Equity in net gains (losses) during the year	-	(52,052)	-	(52,052)
Balance at end of year	<u>(1,106,021)</u>	<u>(5,176,252)</u>	<u>(21,280,229)</u>	<u>(27,562,500)</u>
Carrying Amount	<u>17,393,979</u>	<u>26,110,896</u>	<u>131,770,705</u>	<u>175,223,528</u>

(Amounts in PHP)	<u>Associates</u>			<u>Join Venture</u>	<u>Total</u>
	<u>IGCC</u>	<u>Magspeak</u>	<u>ICOM</u>	<u>CLINUD</u>	
December 31, 2025					
Cost					
Balance at beginning of year	8,500,000	30,735,096	140,300,934	635,274,769	814,810,799
Additional investments	10,000,000	500,000	12,750,000	147,583,216	170,833,216
Reclassification from NCAHFS	-	-	-	237,832,347	237,832,347
Consolidation through step acquisition	-	-	-	(1,020,690,332)	(1,020,690,332)
Balance at end of year	<u>18,500,000</u>	<u>31,235,096</u>	<u>153,050,934</u>	<u>-</u>	<u>202,786,030</u>

Accumulated equity in net losses					
Balance at beginning of year	(1,231,930)	(4,517,832)	(21,280,229)	(2,895,787)	(29,925,778)
Equity in net gains (losses) during the year	125,909	(606,368)	-	688,822	208,363
Consolidation through step acquisition	-	-	-	2,206,965	2,206,965
Balance at end of year	<u>(1,106,021)</u>	<u>(5,124,200)</u>	<u>(21,280,229)</u>	<u>-</u>	<u>(27,510,450)</u>
Carrying Amount	<u>17,393,979</u>	<u>26,110,896</u>	<u>131,770,705</u>	<u>-</u>	<u>175,275,580</u>

Shares in net losses of associates totaling P52,052 and P484,155 were recognized in 2025 and 2024, respectively, in the consolidated statements of profit or loss. There were no dividends received from the Group's associates in 2026 and 2025.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2026 and 2025 are shown below.

<i>(Amounts in PHP)</i>	Land	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
March 31, 2026								
Cost	359,058,133	1,500,494,130	201,344,052	91,665,194	57,621,350	16,842,695	11,671,211,137	13,898,236,691
Accumulated depreciation and amortization	-	(274,766,429)	(116,680,488)	(61,902,444)	(46,176,803)	(15,172,700)	-	(514,698,864)
Net carrying amount	<u>359,058,133</u>	<u>1,225,727,701</u>	<u>84,663,564</u>	<u>29,762,750</u>	<u>11,444,547</u>	<u>1,669,995</u>	<u>11,671,211,137</u>	<u>13,383,537,827</u>
December 31, 2025								
Cost	359,058,133	1,486,133,674	187,453,365	86,718,765	56,496,069	16,842,695	11,249,070,617	13,441,773,318
Accumulated depreciation and amortization	-	(244,290,597)	(109,143,569)	(59,394,745)	(44,660,765)	(15,098,576)	-	(472,588,252)
Net carrying amount	<u>359,058,133</u>	<u>1,241,843,077</u>	<u>78,309,796</u>	<u>27,324,020</u>	<u>11,835,304</u>	<u>1,744,119</u>	<u>11,249,070,617</u>	<u>12,969,185,066</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2026 and 2025 is as follows:

<i>(Amounts in PHP)</i>	Land	Building and Parking Units	Operating Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Balance at January 1, 2026 net of accumulated depreciation and amortization	359,058,133	1,241,843,077	78,309,796	27,324,020	11,835,304	1,744,119	11,249,070,617	12,969,185,066
Additions	-	14,360,456	14,016,505	4,946,429	1,125,281	-	422,140,520	456,589,191
Disposals	-	-	(125,818)	-	-	-	-	(125,818)
Depreciation and amortization for the year	-	(30,475,832)	(7,536,919)	(2,507,699)	(1,516,038)	(74,124)	-	(42,110,612)
Balance at March 31, 2026 net of accumulated depreciation and amortization	<u>359,058,133</u>	<u>1,225,727,701</u>	<u>84,663,564</u>	<u>29,762,750</u>	<u>11,444,547</u>	<u>1,669,995</u>	<u>11,671,211,131</u>	<u>13,383,537,821</u>
Balance at January 1, 2025 net of accumulated depreciation and amortization	359,058,133	420,199,492	51,966,704	22,070,526	11,628,492	3,304,843	9,333,834,006	10,202,062,196
Additions	-	351,302,858	48,631,765	15,934,872	6,062,868	-	2,376,747,075	2,798,679,438
Addition through step acquisition	-	-	-	-	-	-	41,621,489	41,621,489
Reclassifications	-	547,758,806	-	-	-	-	(471,526,563)	76,232,243
Disposals	-	-	(569,595)	(1,916,000)	-	-	-	(2,485,595)
Depreciation and amortization for the year	-	(77,418,079)	(21,719,078)	(8,765,378)	(5,856,056)	(1,560,724)	(31,605,390)	(146,924,705)
Balance at December 31, 2025 net of accumulated depreciation and amortization	<u>359,058,133</u>	<u>1,241,843,077</u>	<u>78,309,796</u>	<u>27,324,020</u>	<u>11,835,304</u>	<u>1,744,119</u>	<u>11,249,070,617</u>	<u>12,969,185,066</u>

Depreciation and amortization expense on property and equipment is presented as part of Operating Expenses in the consolidated statements of profit or loss (see Note 19).

In 2026 and 2025, the Group disposed of certain property and equipment with carrying amounts of P125,818 and P2,485,595, respectively, for nil and P2,482,758, respectively. The related gain or loss on sale of property and equipment is presented as part of Other Losses in the consolidated statements of profit or loss (Note 20.2).

In 2025 the Group reclassified investment property to Building with carrying amounts of P76,232,243. There was no similar transaction in 2026.

Borrowing costs that are capitalized as part of property and equipment amounted to P735,713,832 and P1,174,147,146 in 2026 and 2025, respectively, which represents the allocated borrowing costs incurred on loans, corporate notes and bonds obtained to fund the construction projects (see Notes 14 and 15).

Borrowing costs are capitalized when they are directly attributable to the acquisition or construction of qualifying assets. Capitalization starts when expenditures and borrowing costs are incurred and activities necessary to prepare the asset for its intended use are in progress, and it ceases when the asset is substantially ready for its intended use.

Certain land, building, office equipment, furniture and fixtures and construction in progress with an aggregate carrying amount of P10,773,369,832 and P10,394,856,952 as at March 31, 2026 and December 31, 2025, respectively, are used as collateral for certain interest-bearing loans of the Group (see Note 14.1).

As at March 31, 2026 and December 31, 2025, the cost of the Group's fully-depreciated property and equipment that are still used in operations amounted to P194,647,841 and P174,176,191, respectively.

11. LEASES

The Group entered into lease contracts, as lessee, for leases of land and office spaces. With the exception of short-term leases and leases of low-value underlying assets, each lease is presented in the consolidated statements of financial position as Right-of-use Assets and the corresponding obligation, as Lease Liabilities. Variable lease payments, which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Leases generally restrict the use of the underlying assets to the Group, unless subleasing is contractually permitted. Leases are generally non-cancellable, or may only be cancelled by incurring a substantive termination fee, as applicable to each contract. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term.

Under the lease contracts, the Group is prohibited from selling or pledging the underlying leased assets as security. For the lease of office space, the Group must keep the related property in a good state of repair and return the property in good condition at the end of the lease. For the lease on the land, the Group must insure all the improvements made on the property.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the 2026 and 2025 consolidated statement of financial position.

	Number of right-of-use assets leased	Remaining Lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
March 31, 2026					
Land	5	2 to 37 years	-	-	-
Office space	2	2 years	1	-	1
December 31, 2025					
Land	4	18 to 35 years	-	-	-
Office space	1	1 year	1	-	1

11.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at March 31, 2026 and December 31, 2025 and the movements during the year are shown as follows:

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Office Space</u>	<u>Total</u>
March 31, 2026			
Cost	1,268,208,672	15,877,921	1,284,086,593
	<u>1,268,208,672</u>	<u>4,099,930</u>	<u>4,099,930</u>
		19,977,851	1,288,186,523
Accumulated amortization			
Balance at beginning of year	211,413,810	15,877,921	227,291,731
Amortization for the year	<u>3,692,310</u>	<u>1,195,813</u>	<u>4,888,123</u>
Balance at end of year	<u>215,106,120</u>	<u>17,073,734</u>	<u>232,179,854</u>
Carrying amount as at March 31	<u>1,053,102,552</u>	<u>2,904,117</u>	<u>1,056,006,669</u>
December 31, 2025			
Cost	<u>1,268,208,672</u>	<u>15,877,921</u>	<u>1,284,086,593</u>
Accumulated amortization			
Balance at beginning of year	174,997,465	14,585,971	189,583,436
Amortization for the year	<u>36,416,344</u>	<u>1,291,950</u>	<u>37,708,294</u>
Balance at end of year	<u>211,413,809</u>	<u>15,877,921</u>	<u>227,291,730</u>
Carrying amount as at December 31	<u>1,056,794,863</u>	<u>-</u>	<u>1,056,794,863</u>

11.2 Lease Liabilities

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

<i>(Amounts in PHP)</i>	<u>March 31, 2025</u>	<u>December 31, 2025</u>
Current	71,793,142	70,824,271
Non-current	<u>1,241,292,047</u>	<u>1,245,462,755</u>
	<u>1,313,085,189</u>	<u>1,316,287,026</u>

11.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. The expense relating to short-term leases and low-value assets

is presented as Rent under Operating Expenses in the consolidated statements of profit or loss (see Note 19).

11.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P24,646,450, P58,552,832 in March 31, 2026 and 2025, respectively. The interest expense in relation to the lease liabilities are presented as part of Interest expense on lease liabilities under Finance Costs in the consolidated statement of profit or loss (see Note 21).

12. INVESTMENT PROPERTIES

The Group's investment properties include parcels of land held for development of properties, condominium units and retail building for lease. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of March 31, 2026 and December 31, 2025 are shown below.

<i>(Amounts in PHP)</i>	<u>Retail Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Land</u>	<u>Constructions in Progress</u>	<u>Total</u>
March 31, 2026						
Costs	2,245,590,785	812,697,758	467,205,706	2,079,841,636	16,981,212,268	22,586,638,962
Accumulated depreciation	<u>(246,475,655)</u>	<u>(231,295,906)</u>	<u>(43,829,380)</u>	-	-	<u>(521,600,941)</u>
Carrying amount	<u>1,999,205,939</u>	<u>581,401,852</u>	<u>423,376,326</u>	<u>2,079,841,636</u>	<u>16,981,212,268</u>	<u>22,065,038,021</u>
December 31, 2025						
Costs	2,245,590,785	812,697,758	467,205,706	2,079,841,636	15,915,449,814	21,520,785,700
Accumulated depreciation	<u>(232,455,676)</u>	<u>(222,616,691)</u>	<u>(39,704,028)</u>	-	-	<u>(494,776,395)</u>
Carrying amount	<u>2,013,135,109</u>	<u>590,081,067</u>	<u>427,501,679</u>	<u>2,079,841,636</u>	<u>15,915,449,814</u>	<u>21,026,009,305</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of March 31, 2026 and December 31, 2025 is as shown below:

<i>(Amounts in PHP)</i>	<u>Retail Building</u>	<u>Condominium Units</u>	<u>Parking Units</u>	<u>Land</u>	<u>Constructions in Progress</u>	<u>Total</u>
Balance at January 1, 2026, net of accumulated depreciation	2,013,135,111	590,081,067	427,501,678	2,079,841,636	15,915,449,814	21,026,009,306
Additions	90,807	-	-	-	1,065,762,454	1,065,853,261
Depreciation during the year	<u>(14,019,979)</u>	<u>(8,679,215)</u>	<u>(4,125,352)</u>	-	-	<u>(26,824,546)</u>
Balance at March 31, 2026, net of accumulated depreciation	<u>1,999,205,939</u>	<u>581,401,852</u>	<u>423,376,326</u>	<u>2,079,841,636</u>	<u>16,981,212,268</u>	<u>22,065,038,021</u>
Balance at January 1, 2025, net of accumulated depreciation	1,162,281,283	727,680,157	96,138,718	2,370,054,512	14,052,132,615	18,408,287,285
Additions	-	-	-	15,000,000	3,798,654,601	3,813,654,601
Addition through step acquisition	-	-	-	-	21,653,896	21,653,896
Reclassifications of completed projects	909,225,209	-	347,864,372	-	(1,257,089,581)	-
Reclassifications to other accounts	-	(9,682,090)	-	-	(76,232,243)	(85,914,333)
Disposals	(10,133,276)	(90,093,111)	-	(305,212,876)	(623,669,474)	(1,029,108,737)
Depreciation during the year	<u>(48,238,107)</u>	<u>(37,823,889)</u>	<u>(16,501,411)</u>	-	-	<u>(102,563,407)</u>
Balance at December 31, 2025, net of accumulated depreciation	<u>2,013,135,109</u>	<u>590,081,067</u>	<u>427,501,679</u>	<u>2,079,841,636</u>	<u>15,915,449,814</u>	<u>21,026,009,305</u>

In 2025 Group sold certain investment properties with carrying amount of P1,029,108,737 for a total consideration of P2,834,743,566 (see Notes 25.3 and 25.4). The gain on sale amounting to P1,805,634,829 is presented as Gain on sale of investment properties under Other Operating Income in the consolidated statements of profit or loss (see Note 20.1). In 2025, the Group reclassified certain investment properties with aggregate carrying amount of P9,682,090 to real estate inventories (see Note 6) and P76,232,243 to property and equipment (see Note 10). There was no similar transaction in 2026.

Reclassifications to real estate inventories were made when there was an evidenced change in the use of the properties from earning rentals or capital appreciation to being held for sale in

the ordinary course of business. The changes are evidenced by modifications in business and development plans, securing necessary government permits, commencement of marketing activities to sell the properties, and obtaining reservations from customers. On the other hand, for properties reclassified to property and equipment, the Group determined that these assets were no longer intended to be leased or held for capital appreciation. Instead, they are now designated for use in the Group's operations, as evidenced by their integration into the Group's business plans and operational activities.

Borrowing costs that are capitalized as part of investment property amounted to P757,857,561 and P994,498,830 in March 31, 2026 and December 31, 2025, respectively, which represents the allocated borrowing costs incurred on loans, corporate notes and bonds obtained to fund the construction projects (see Notes 14 and 15).

Income and expenses from investment properties in March 31, 2026 and 2025 are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Rental income:	17.1	60,151,922	52,731,700
Cost of rental services:	18		
Depreciation		25,554,176	16,969,297
Others		<u>-</u>	<u>260,315</u>
		<u>34,597,746</u>	<u>35,502,088</u>

The depreciation and other expenses are included as part of Cost of Sales and Services in the consolidated statements of profit or loss in 2026 and 2025 (see Note 18).

Investment properties have a total fair value of P23,487,867,829 as at December 31, 2025, respectively, based on the appraisal done by an independent expert. On the basis primarily of the foregoing valuations, management has assessed that no impairment loss is required to be provided on the Group's investment properties as at March 31, 2026.

Investment properties with a total carrying amount of P11,490,398,058 and P11,637,470,164 as at March 31, 2026 and December 31, 2025, respectively, are used as collateral for certain interest-bearing loans and borrowings of the Parent Company (see Note 14.1).

13. OTHER NON-CURRENT ASSETS

This account includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Deferred commissions		332,060,198	1,019,513,350
Advances to subcontractors		315,215,329	315,215,329
Refundable deposits		208,976,016	205,268,395
Computer software - net		13,611,991	15,001,011
Investment in equity securities		9,375,002	-
Others		<u>979,002</u>	<u>10,354,003</u>
		<u>880,217,538</u>	<u>1,565,352,088</u>

Advances to subcontractors include advance payments for materials, payment of labor and overhead expenses for on-going construction of investment properties. These are applied against the progress billings of subcontractors.

Refundable deposits pertain to recoverable payments, which are expected to be realized at the termination of the contract, to lessors and various payees. These are measured at amortized cost.

The gross carrying amounts and accumulated amortization of Computer software at the beginning and end of March 31, 2026 and December 31, 2025 are shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Cost	68,705,679	68,705,679
Accumulated amortization	(55,093,688)	(53,704,668)
Carrying amount	<u>13,611,991</u>	<u>15,001,011</u>

The amortization expense on the computer software amounted to P1,389,020 and P6,389,584 in March 31, 2026 and 2025, respectively, and is presented as part of Depreciation and amortization under Operating Expenses (see Note 19).

14. INTEREST-BEARING LOANS AND BORROWINGS

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:			
Bank loans	14.1	4,563,099,549	5,835,061,916
Corporate notes	14.2	721,874,999	962,499,999
		<u>5,284,974,548</u>	<u>6,797,561,915</u>
Non-current:			
Bank loans	14.1	34,226,757,894	31,512,615,657
Corporate notes	14.2	8,468,563,770	8,463,617,639
		<u>42,695,321,664</u>	<u>39,976,233,296</u>
		<u>47,980,296,212</u>	<u>46,773,795,211</u>

14.1 Bank Loans

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

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	37,347,677,573	34,877,244,105
Net proceeds from issuance	7,284,382,682	27,726,936,137
Repayments	(5,858,373,997)	(25,344,403,014)
Amortization of debt issue costs	16,171,185	87,900,345
Balance at end of year	<u>38,789,857,443</u>	<u>37,347,677,573</u>

A reconciliation of the unamortized debt issue cost at the beginning and end of 2026 and 2025 is shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	96,476,532	150,494,327
Debt issue costs from new loans	33,882,550	33,882,550
Amortization of debt issue cost	(16,171,185)	(87,900,345)
Balance at end of the year	<u>114,187,897</u>	<u>96,476,532</u>

The loans bear interest rates per annum ranging from 5.00% to 8.75% in 2026 and from 5.50% to 9.25% in 2025. Certain loans are collateralized by the specific projects and developments for which the loans were obtained. The carrying amount of such projects aggregating to P30,080,254,465 and P29,848,813,691 as at as at March 31, 2026 and December 31, 2025, respectively, are included in the Real Estate Inventories, Property and Equipment and Investment Properties accounts in the consolidated statements of financial position (see Notes 6, 10 and 12).

The total interest incurred from the foregoing loans, including amortization of debt issuance cost, amounted to P1,616,067,548 and P554,366,818 in 2026 and 2025, respectively, and of which P1,225,520,065 and P172,653,747 were capitalized as part of investment properties and property and equipment in 2026 and 2025, respectively (see Notes 10 and 12). The remaining interest was recognized as part of Finance Costs in 2026 and 2025 (see Note 21).

14.2 Corporate Notes

The Parent Company and various financial institutions executed a Notes Facility Agreement (NFA) for the issuance of Long-Term Corporate Notes (LTCN) totaling P13,000,000,000 and Sustainability-Linked Notes (SLN) totaling P3,000,000,000.

The NFA is composed of the following tranches:

<u>NFA</u>	<u>Date Executed</u>	<u>Tranche</u>	<u>Tenor</u>	<u>Principal Amounts in PHP</u>
LTCN	07/20/2018	Series A	Seven years	2,500,000,000
		Series B	Ten years	1,000,000,000
		Series C	Ten years with repricing on the interest rate re-setting date	1,500,000,000
	03/05/2020	Series D	Five years	1,300,000,000
		Series E	Seven years	5,700,000,000
		Series F	Ten years	1,000,000,000
SLN	08/06/2025	Series G	Seven years	850,000,000
		Series H	Ten years	2,150,000,000
				<u>16,000,000,000</u>

The Parent Company made the following drawdowns from the NFA.

<u>Year</u>	<u>Tranche</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amounts in PHP</u>
2025	Series G	6.87% - 6.95%	August - September 2032	850,000,000
	Series H	7.30% - 7.37%	August - September 2035	2,150,000,000
				<u>3,000,000,000</u>
2020	Series D	3.46%	September 2025	1,300,000,000
	Series E	3.54% - 4.66%	April 2027	5,700,000,000
	Series F	4.23% - 5.23%	March 2030	1,000,000,000
				<u>8,000,000,000</u>
2019	Series A	7.25%	January 2026	<u>2,000,000,000</u>
2018	Series A	7.25%	December 2025	500,000,000
	Series B	6.63%	August - September 2028	1,000,000,000
	Series C	6.75%	October - December 2028	1,500,000,000
				<u>3,000,000,000</u>

The SLN series carries a step-up feature wherein the applicable interest rate increases by 0.075% for every occurrence of a Trigger Event. A Trigger Event arises when a Sustainability Performance Target (SPT) is not met on the relevant observation date. The SPT are as follows:

- Short-term SPT: Construct 8,500 new Affordable Housing units by February 2027
- Medium-term SPT: Construct 16,000 new Affordable Housing units by February 2029

An analysis of the movements in the balance of corporate notes is presented below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	9,426,117,638	9,774,835,826
Net proceeds from issuance	-	2,964,542,666
Repayments	(240,625,000)	(3,337,500,000)
Amortization of debt issue cost	4,946,131	24,239,146
Balance at end of the year	<u>9,190,438,769</u>	<u>9,426,117,638</u>

A reconciliation of the unamortized debt issue costs of corporate notes at the beginning and end of 2026 and 2025 is shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	64,060,933	52,842,745
Debt issue costs from new notes	-	35,457,334
Amortization of debt issue costs	(4,946,131)	(24,239,146)
Balance at end of the year	<u>59,114,802</u>	<u>64,060,933</u>

The debt issuance costs are deducted from the fair value or issue price of the note.

The total interest incurred related to the NFA, including amortization of debt issuance cost, amounted to P118,398,776 and P105,204,415 in 2026 and 2025 respectively, of which P106,534,378 and P62,824,316 was capitalized as part of property and equipment and investment properties in 2026 and 2025 respectively (see Notes 10 and 12).

The Group is required to maintain the specifically defined financial ratios with respect to (a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at March 31, 2026 and December 31, 2025, the Parent Company is compliant with the requirements.

The total interest expense related to the above loans, which are included as part of Finance Costs in the consolidated statements of profit or loss, amounted to P559,762,783 and P424,093,169 in March 31, 2026 and 2025, respectively (see Note 21).

15. BONDS PAYABLE

The outstanding balance of bonds payable are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current	2,763,194,048	2,763,194,048
Non-current	11,116,163,537	11,111,294,563
	<u>13,879,357,585</u>	<u>13,874,488,611</u>

On September 23, 2022, CLI registered with the SEC its debt securities program of P15,000,000,000 fixed-rate bonds, to be offered in one or more tranches within three years. The breakdown of the bonds payable, together with their respective terms and conditions, is presented below.

<u>Tranche / Series</u>	<u>Type</u>	<u>Tenor</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Coupon Rate</u>	<u>Principal Amount</u>
1st Tranche						
Series A	Fixed-rate	3.5 years	October 7, 2022	April 7, 2026	6.4222%	2,766,260,000
Series B	Fixed-rate	5.5 years	October 7, 2022	April 7, 2028	6.9884%	1,243,670,000
Series C	Fixed-rate	7 years	October 7, 2022	October 7, 2029	7.3649%	990,070,000
						<u>5,000,000,000</u>
2nd Tranche						
Series D	SLB	3 years	March 21, 2025	March 21, 2028	6.6348%	2,852,600,000
Series E	SLB	3.5 years	March 21, 2025	March 21, 2030	6.9157%	2,147,400,000
						<u>5,000,000,000</u>
3rd Tranche						
Series F	SLB	4 years	December 5, 2025	December 5, 2029	6.5408%	2,187,080,000
Series G	SLB	7 years	December 5, 2025	December 5, 2032	6.6807%	602,810,000
Series H	SLB	10 years	December 5, 2025	December 5, 2035	6.9572%	1,215,300,000
						<u>4,005,190,000</u>
						<u>14,005,190,000</u>

All Series Bonds were listed with the Philippine Dealing & Exchange Corp. (PDEX) and have been rated “PR S Aa plus” with a stable outlook by PhilRatings.

The Sustainability-Linked Bonds (SLB) series carries a step-up feature wherein the applicable interest rate increases by 0.075% for every occurrence of a Trigger Event. A Trigger Event arises when a SPT is not met on the relevant observation date. The SPT are as follows:

- Short-term SPT: Construct 8,500 new Affordable Housing units by February 2027
- Medium-term SPT: Construct 16,000 new Affordable Housing units by February 2029

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

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	13,874,488,611	4,964,768,926
Net proceeds from issuance	-	8,876,780,500
Amortization of debt issue costs	4,868,974	32,939,185
Balance at end of year	<u>13,879,357,585</u>	<u>13,874,488,611</u>

A reconciliation of the unamortized debt issue cost at the beginning and end of 2026 and 2025 is shown below.

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year	130,701,389	35,231,074
Debt issue costs from new bonds	-	128,409,500
Amortization of debt issue costs	(4,868,974)	(32,939,185)
Balance at end of the year	<u>125,832,415</u>	<u>130,701,389</u>

The total interest incurred related to the bonds, including amortization of debt issue costs, amounted to P224,442,470 and P651,536,118 in 2026 and 2025 respectively, of which P175,658,597 and P498,746,856 was capitalized as part of property and equipment and investment properties in 2026 and 2025 respectively (see Notes 10 and 12). The remaining interest was recognized as part of Finance Costs in 2026 and 2025 (see Note 21). The capitalization rate used in determining the amount of interest charges qualified for capitalization ranges from 6.42% to 7.36% in March 31, 2026 and December 31, 2025.

The Group is required to maintain the financial ratios with respect to:(a) maximum debt to equity ratio of 2.5:1; (b) minimum current ratio of 1:1; and, (c) minimum interest coverage ratio of 3:1. As at March 31, 2026, the Parent Company is compliant with the requirements.

16. TRADE AND OTHER PAYABLES

The trade and other payables are composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:			
Unbilled construction costs		14,418,853,407	14,071,158,248
Trade payables		7,991,158,236	6,161,191,185
Sales commissions payable		4,848,370,991	4,610,338,653
Retention payable		1,433,413,002	1,375,697,872
Accrued expenses	14	892,206,245	570,807,565
Redeemable preferred shares	8	796,500,000	1,593,000,000
Dividends payable	26.6	254,555,032	339,406,706
Government-related obligations		98,435,231	105,207,518
Output VAT		81,512,080	98,483,259
Other payables		1,082,610,847	826,682,548
		<u>31,897,615,071</u>	<u>29,751,973,554</u>

Non-current		
Retention payable	479,428,612	479,428,609
Advance rental	72,575,020	69,132,246
Other payables	2,668,109	18,234,812
	<u>554,671,741</u>	<u>566,795,667</u>
	<u>32,452,286,812</u>	<u>30,318,769,221</u>

Unbilled construction costs pertain to estimated obligations to contractors for services already performed but not yet billed to the Group.

Trade payables mainly represent outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials.

Redeemable preferred shares pertain to NTTUDA's subscription to redeemable preferred shares of CLVI amounting to P796,500,000 . The proceeds from the subscription were intended to partially finance the acquisition of a property to be classified as real estate inventory. Under the terms of the agreement, CLVI is contractually required to redeem all the shares on December 31, 2025 at the same price of P2,000 per share. Accordingly, the redeemable preferred shares are classified as a financial liability, as CLVI has a contractual obligation to redeem the shares on a specified date and at a predetermined amount. As at March 31, 2026, the redeemable shares remain outstanding pending customary regulatory approvals from the appropriate authorities.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Portion of the amount retained that is not expected to be paid within 12 months from the end of the reporting period is presented as part of non-current liabilities in the consolidated statements of financial position.

Accrued expenses pertain to accruals for interest, contracted services, security services, professional fees and other recurring accruals in the Group's operations. Other payables are mostly construction bonds from various subcontractors

17. REVENUE FROM CONTRACTS WITH CUSTOMERS AND CONTRACT BALANCES

17.1 Disaggregation of Contract Revenues

The Group derives revenue from the transfer of goods and services over time and at a point in time. Presented below are revenues from its major product lines and geographical areas for the period March 31, 2026 and March 31, 2025:

<i>(Amounts in PHP)</i>	Cebu	Mindanao	Visayas	Luzon	Total
March 31,2026					
<i>Sale of real estates</i>					
Over time	1,214,865,196	591,401,807	2,939,959,573	213,370,286	4,959,596,862
Point of time	598,510,976	194,761,541	22,424,213	530,000	816,226,730
	<u>1,813,376,172</u>	<u>786,163,348</u>	<u>2,962,383,786</u>	<u>213,900,286</u>	<u>5,775,823,592</u>
<i>Hotel operations</i>					
Over time	74,792,250	-	44,337,462	-	119,129,712
<i>Lease of properties</i>					
Over time	52,712,517	7,439,405	-	-	60,151,922
<i>Render of management services</i>					
Over time	30,850,424	-	-	-	30,850,424
	<u>1,971,731,363</u>	<u>793,602,753</u>	<u>3,006,721,248</u>	<u>213,900,286</u>	<u>5,985,955,650</u>

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

Sale of real estates include contracts with significant financing components in accordance with PFRS 15. The related interest income or interest expense is presented as Interest income from real estate sales in the consolidated statements of profit or loss.

17.2 Contract Balances

The breakdown of contract balances is as follows:

(Amounts in PHP)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Contract assets - net	40,822,846,932	55,602,021,829
Contract Liabilities	(303,045,808)	(345,034,388)
	<u>40,519,801,124</u>	<u>55,256,987,441</u>

The Group's contract assets as at March 31, 2026 and December 31, 2025 are presented in the consolidated statements of the financial position as follows:

(Amounts in PHP)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current	17,294,419,101	17,104,926,866
Non-current	23,528,427,831	38,497,094,963
	<u>40,822,846,932</u>	<u>55,602,021,829</u>

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as at the end of the reporting period. Its classification and presentation in the consolidated statements of financial position is based on the Group's estimate of project completion, hence, any change in estimated completion period affects transfers to contracts receivables.

The Group assesses an ECL when the contract assets are initially recognized and updates the assessment at each reporting date based on the analysis determined by management.

Contract liabilities pertain to collections from buyers that are ahead of the stage of completion of the real estate units sold. Changes in the contract assets and contract liabilities are recognized by the Group when a right to receive payment is already established

and upon performance obligation, respectively. Collections from buyers on sale of real estate units where the gating criteria for recognition of sales contract have yet to be met are accounted for and presented as Customers' Deposits in the consolidated statements of financial position.

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

(Amounts in PHP)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Contract liabilities	303,045,808	345,034,388
Customers' deposits	112,561,952	130,665,228
	<u>415,607,760</u>	<u>475,699,616</u>

18. COST OF SALES AND SERVICES

Components of costs of sales and services are analyzed below (see Note 19).

<i>(Amounts in PHP)</i>	Notes	March 31, 2026	March 31, 2025
Cost of real estate sales:			
Contracted services	19	2,299,524,553	1,947,971,744
Land	19	382,815,565	802,631,224
Other costs		114,467,927	116,113,174
		<u>2,796,808,045</u>	<u>2,866,716,142</u>
Cost of rental services:			
Depreciation		25,554,176	16,969,297
Others	12	-	260,315
		<u>25,554,176</u>	<u>17,229,612</u>
Cost of management services:			
Salaries and wages		23,166,219	16,098,602
		<u>23,166,219</u>	<u>16,098,602</u>
Cost of hotel operations:			
Salaries and wages		27,864,457	18,991,028
Materials and supplies		24,971,676	15,934,658
Utilities		17,688,470	12,496,384
Others		10,567,940	33,628,203
		<u>81,092,543</u>	<u>81,050,273</u>
		<u>2,926,620,983</u>	<u>2,981,094,629</u>

19. COSTS AND EXPENSES BY NATURE

Details of costs and expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	March 31, 2026	March 31, 2025
Contracted services	18	2,363,921,333	2,024,082,670
Land	18	382,815,565	802,631,224
Commissions	8	307,556,310	345,579,694
Taxes and licenses		248,337,072	235,903,760
Salaries and employee benefits	23.1	217,262,903	182,484,114
Hotel operations		81,092,543	81,050,273

Depreciation and amortization			
	10,		
	11,	71,786,063	46,818,750
	12,		
	13		
Advertising		39,933,672	40,663,556
Utilities		37,751,081	26,806,870
Security services		28,176,174	22,407,592
Professional and legal fees		27,822,262	4,432,036
Repairs and maintenance		24,242,706	24,551,612
Transportation and travel		13,415,481	11,632,360
Rent	11.3,		
	28.2	11,727,772	8,740,052
Insurance		11,632,260	5,796,187
Donations		10,503,702	10,208,589
Subscription and membership dues		9,670,213	5,077,108
Penalties		7,600,241	4,389,363
Management fee		6,682,980	5,701,795
Supplies		6,417,381	9,447,482
Representation and entertainment		6,002,504	5,449,788
Association dues		5,708,000	5,108,963
Communications		5,343,965	2,887,336
Move in fee expenses		3,861,800	(711,778)
Trainings and seminars		17,081	379,109
Others		64,879,250	95,584,473
		3,994,160,314	4,007,102,982

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

<i>(Amounts in PHP)</i>	Note	March 31, 2026	March 31, 2025
Cost of sales and services	18	2,926,620,983	2,981,094,629
Operating expenses	19	1,067,539,330	1,026,008,353
		3,994,160,313	4,007,102,982

20. OTHER OPERATING INCOME AND OTHER LOSSES

20.1 Other Operating Income

This account is composed of the following:

<i>(Amounts in PHP)</i>	March 31, 2026	March 31, 2025
Refund from cancelled units	32,750,603	61,350,553
Utilities charged to tenants	12,178,888	5,036,710
Documentation fee	7,638,214	9,013,393
Water income	6,206,892	5,395,639
Foreign exchange gains	4,809,485	117,851
Move-in fee income	3,113,927	9,337,677
Parking	2,271,432	2,098,988
Service Income	1,978,990	294,250
Administrative charges	1,518,219	2,748,495
Scrap sales	1,380,593	772,594

Zonal value incremental tax	1,221,667	1,664,550
Referral incentive	970,155	1,457,831
Late payment penalties charged to customers	795,246	2,236,292
Sponsorships charged to buyers	773,661	776,786
Others	20,970,005	4,449,389
	98,577,977	106,750,998

Move-in fee income pertains to excess fees charged to real estate buyers upon turn-over of their units over the cost of services to make the buyers' units habitable which include requisition of building insurance and fire extinguisher, processing of related taxes, utility connections and others.

Administrative charges include standard fees charged to the buyers and non-refundable portion of the buyers' payment upon withdrawal from sale.

Reversal of payables pertains to outstanding payables related to advances from buyers in excess of the paid transfer charges and move-in fees, which are not refunded to the buyers. It also includes outstanding payables from cancelled contracts with certain building contractors and suppliers, which the Group is no longer required to pay and income from the write-off of long-outstanding unidentified deposits.

20.2 Other Losses

This account is composed of the following:

<i>(Amounts in PHP)</i>	March 31, 2026	March 31, 2025
Foreign exchange losses	39,968	379,514
Loss (gain) on sale of assets – net	-	(5,061)
Provision for extraordinary losses	(2,001,983)	
	(1,962,015)	374,453

Other losses mainly comprise expenses and charges arising from non-recurring events and transactions, including transaction costs related to equity and debt issuances and losses from calamity-related incidents.

21. FINANCE COSTS

This is composed of the following:

<i>(Amounts in PHP)</i>	Notes	March 31, 2026	March 31, 2025
Interest expense on:			
Loans	14.1	552,787,313	411,125,639
Lease liabilities	11.2	21,444,613	20,812,734
Bonds	15	43,914,699	119,794,289
Retirement obligation		6,042	
Day one loss, net of amortization	5	43,488,910	152,948,792
Amortized debt issue costs		11,844,443	17,134,679
DST on borrowings		11,485,982	-
		684,972,002	721,816,133

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

22. FINANCE INCOME

This is composed of the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Interest income on banks	4, 8	32,406,679	14,818,888
In-house financing		25,898,767	3,206,256
Discounting of long-term receivables		<u>15,470</u>	<u>14,715</u>
		<u>58,320,916</u>	<u>18,093,859</u>

23. EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits amounts to P217,262,903 and P182,484,114 in March 31, 2026 and 2025, respectively (see Note 19)

23.2 Post-Employment Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group maintains a funded and non-contributory post-employment benefit plan that is being administered by a trustee bank that is legally separated from the Group. The trustee bank manages the fund in coordination with the Group's top management who acts in the best interest of the plan assets and is responsible for setting the investment policies. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with a minimum of five years of credited service and late retirement after age 60, both subject to the approval of the Group's BOD. Normal retirement benefit is an amount equivalent to 50% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

(b) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the

plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

24. CURRENT AND DEFERRED TAXES

The Group is registered with the Board of Investments (BOI) as a developer of various economic and low-cost housing projects. Accordingly, the Group enjoys an income tax holiday on the BOI-registered projects within three to four taxable years from its registration. The Group has one and four registered projects with BOI as of March 31, 2026 and December 31, 2025, respectively.

The components of tax expense relating to profit or loss and other comprehensive income or loss are as shown below. *(Amounts in PHP)*

<i>(Amounts in PHP)</i>	March 31, 2026	March 31, 2025
<i>Reported in profit or loss:</i>		
Current tax expense:		
Regular corporate income tax (RCIT) at 25%	56,018,632	359,857,653
Final income tax	6,481,036	2,774,979
Minimum corporate income tax (MCIT)	2,963,390	282,041
	65,463,058	362,914,673
Deferred tax expense arising from – origination and reversal of temporary differences		
	368,462,799	214,405,373
	433,925,857	577,320,046

As of March 31, 2026, the CPH, EL CAMINO, YES, YHES, CLBRV, SPE, CLI-LITE, are subject to MCIT which is computed at 2% of gross income net of allowable deductions. 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 P2,963,390 and P286,676 for the periods March 31, 2026 and 2025, respectively.

The Group opted to treat the capitalized borrowing costs as capital expenditure in accordance with Section 34(b) of the NIRC; hence, there are no deferred taxes related to the transaction. Furthermore, it opted to claim itemized deductions in computing its income tax due for the quarters ended March 31, 2026 and 2025.

25. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company, entities under common ownership, associates, shareholders, the Group's key management personnel, and its retirement fund. A summary of the Group's transactions and outstanding balances with related parties is presented below.

<i>(Amounts in PHP)</i>	Note	Amount of Transaction		Outstanding Balance	
		March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
Ultimate Parent Company					
Sale of investment properties	25.3	293,486,607	587,907,786	1,110,044,196	1,397,637,514
Sale of condominium units	25.3	-	534,932,583	544,086,140	524,120,797
Cancellation of sales	25.3	-	-	-	-
Dividends paid	25.2	-	413,207,837	-	-
Entities under Common Ownership					
Advances (collections)	25.1	9,593,548	24,449,497	88,145,006	78,551,458
Associates and Joint Venture					
Real estate sales	25.5	-	-	-	-
Advances (collections)	25.1	(260,629)	519,273	(417,969)	(157,340)
Key Management Personnel					
Sale of investment properties	25.4	-	485,352,679	475,645,625	475,645,625
Sale of condominium units	25.4	830,891,727	818,605,241	832,237,546	799,350,563
Dividends paid	25.2	-	66,925,892	-	-
Compensation	25.6	20,960,830	187,685,851	-	-

Based on management's assessment, no impairment loss is required to be provided on the Group's receivables from related parties as at March 31, 2026, and December 31, 2025. In respect of contract receivables and contract assets, it is fully secured by the units purchased, expected to be settled in cash and due based on the contract terms.

25.1 Due from Related Parties

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

<i>(Amounts in PHP)</i>	Entities Under Common Ownership	Associates	Total
Balance at January 1, 2026	78,551,458	(157,340)	78,394,118
Additions	9,593,548	(260,629)	9,332,918
Balance at March 31, 2026	88,145,006	(417,969)	87,727,036
Balance at January 1, 2025	54,101,961	(676,613)	53,425,348
Additions	24,449,497	519,273	24,968,770
Balance at December 31, 2025	78,551,458	(157,340)	78,394,118

The outstanding balances from these transactions, which are collectible on demand, unsecured and noninterest-bearing, are presented as Due from Related Parties in the consolidated statements of financial position.

25.2 Cash Dividends

The amounts of cash dividends paid by the Company to the following related parties are as follow:

<i>(Amounts in PHP)</i>	<u>2026</u>	<u>2025</u>
Ultimate Parent Company	-	413,207,837
Key Management Personnel	-	66,925,892
	<u>-</u>	<u>480,133,729</u>

The were no outstanding balances arising from these cash dividends as at March 31, 2026
December 31, 2025.

25.3 Real Estate Sales to Ultimate Parent Company

In, 2026, the Group cancelled the sale of parcels of land sold in 2025. In 2025 and 2024, CLI sold to ABS parcels of land under investment properties with carrying amount of P295,992,923 and P470,900,926, respectively, for P587,907,786 and P854,062,500, respectively (see Note 12). The transactions resulted in a gain amounting to P291,908,863 and P383,161,574, respectively, which are presented as part Gain on sale of investment properties under Other Operating Income in the consolidated statements of profit or loss (see Note 20.1).

As at March 31, 2026 and December 31, 2025, the outstanding balance from these transactions amounted to P1,110,044,196 and P1,397,637,514 , respectively, and are noninterest-bearing, collectible in cash over a period of five years, under the terms similar to the sale of real estate properties to customers, and presented as part of Contract receivables under the Receivables account in the consolidated statements of financial position (see Note 5).

In 2025 CLI sold condominium units to ABS amounting to P534,932,583. The outstanding balances related to these transactions are noninterest-bearing, collectible in cash over a period of five years under the terms similar to the sale of real estate properties to customers. As at March 31, 2026, the outstanding balance amounted to P544,086,140, which is presented as part of Contract Assets in the consolidated statement of financial position (Note 17.2).

Further in 2023, the Group cancelled the sale of a single floor at Baseline HQ made to ABS in December 2017.

25.4 Real Estate Sales to Key Management Personnel

In 2025, the Group sold to key management personnel a parcel of land classified as investment properties with carrying amount of P244,362,173 for P485,352,679 (see Note 12). The transaction resulted in gain of P240,990,506 which is presented as part of Gain on sale of investment properties under Other operating income in the consolidated statements of profit or loss (see Note 20.1).

26. EQUITY

26.1 Capital Stock

Details of the Parent Company's authorized capital stock as of March 31, 2026 and December 31, 2025 are as follows:

	Shares		Amounts in PHP	
	2026	2025	2026	2025
Preferred shares				
Authorized				
Series A – P1.00 par value	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Series B – P0.10 par value	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Total	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and outstanding:				
Issuance during the year:				
Preferred Shares – Series A-1 (CLIA1)	2,063,360	2,063,360	2,063,360	2,063,360
Preferred Shares – Series A-2 (CLIA2)	<u>2,216,980</u>	<u>2,216,980</u>	<u>2,216,980</u>	<u>2,216,980</u>
Balance at end of year	<u>4,280,340</u>	<u>4,280,340</u>	<u>4,280,340</u>	<u>4,280,340</u>
Common shares – P1.00 par value				
Authorized	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>	<u>9,000,000,000</u>
Issued:				
Balance at beginning and end of year	3,623,451,997	3,623,451,997	3,623,451,997	3,623,451,997
Treasury shares	<u>(158,250,530)</u>	<u>(158,250,530)</u>	<u>(732,664,604)</u>	<u>(732,664,604)</u>
Issued and outstanding	<u>3,465,201,467</u>	<u>3,465,201,467</u>	<u>2,890,787,393</u>	<u>2,890,787,393</u>

On April 25, 2023, the BOD approved the amendment of the Articles of Incorporation (AOI) of CLI to reallocate the authorized capital stock of P10,100,000,000 to be divided as follows:

- (a) 9,000,000,000 common shares with a par value of P1 per share;
- (b) 1,000,000,000 Series A preferred shares with a par value of P1 per share; and,
- (c) 1,000,000,000 Series B preferred shares with a par value of P0.10 per share.

The amendment to the AOI was later approved by the stockholders on June 1, 2023. On October 18, 2023, the SEC officially accepted CLI's application for the amendment of its AOI, which was later approved on December 29, 2023.

On April 12, 2024, CLI issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,276,059,660 (see Note 26.2). The initial dividend rate of the shares shall be as follows: (a) in respect of the Series A-1 Preferred Shares, at fixed rate of 7.59% per annum of the Offer price, and (b) for the Series A-2 Preferred Shares, at the fixed rate of 8.25% per annum of the offer price. The BOD has full discretion over the declaration and payment of dividends, subject to conditions and to the extent allowed by law. Accordingly, the Group classified the preferred shares as equity securities, as such discretion allows the Group to defer principal and dividend payments indefinitely.

The share price of the Parent Company's common stock closed at P2.37 per share on March 31, 2026 and P2.35 per share on December 31, 2025, the last trading day in the PSE for 2026 and 2025 respectively.

The common stock of the Parent Company that is held under nominee accounts totaled 1,284,557,145 shares and 1,289,888,375 shares as at December 31, 2025 and 2024, respectively. This represents 35% of the Parent Company's outstanding shares as at December 31, 2025 and 2024, respectively.

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

26.2 Additional Paid-in Capital

On June 2, 2017, the Parent Company made an initial public offering (IPO) of 430,000,000 unissued common shares at an offer price of P5 per share, which is equivalent to P2,150,000,000. Accordingly, the Parent Company recognized additional paid-in capital of P1,608,917,974 in the consolidated statements of financial position after deducting the related share issuance costs of P111,082,026.

On April 12, 2024, the Company issued and listed perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable Philippine Peso denominated Series "A" Preferred Shares categorized and offered in two subseries (Series A-1 and Series A-2) on the main board of the PSE. Issue price for Series A-1 and A-2 is at P1,000. The additional paid-in capital resulting in the issuance amounted to P4,247,007,247 in the consolidated statements of financial position after deducting the related share issuance costs of P29,052,413.

26.3 Treasury Shares

On February 27, 2018, the BOD of the Parent Company approved a P250,000,000 budget for a share buy-back program and employee share option plan. On March 2022, qualified employees started exercising their share options (see Note 26.4).

On March 27, 2020, the BOD of the Parent Company approved an additional P500,000,000 stock buy-back program over the next two years.

In relation to this program, the Parent Company reacquired its common stock in 2021 and 2020, for P15,320,885 and P485,657,205, respectively, and presented them as Treasury Stock in the consolidated statements of financial position. No additional shares were reacquired in 2022.

In 2022, the Parent Company has reissued 3,349,470 shares of treasury shares as a result of exercise of the same number of share options (Note 26.4).

As of March 31, 2026 and December 31, 2025, the Group has a total of 158,250,530 treasury shares amounting to P732,664,604.

26.4 Employee Share Option

On October 6, 2021, the BOD of the Parent Company approved the Executive Share Option Plan (ESOP) for its qualified officers. The ESOP grants options to purchase the shares of the Parent Company at a price of P2.25 or current market price with a 15% discount, whichever is higher. Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for at least six months from the exercise date. Voting and dividend rights vest upon the issuance of the shares to the employees.

Pursuant to this ESOP, on January 5, 2022, the Parent Company granted share options to qualified officers to subscribe to 31,016,200 common shares of the Parent Company, with the following vesting period.

- The 1st 25% of the options granted can be exercised immediately upon the year of grant;
- The 2nd 25% of the options granted can be exercised one year after the options were granted;
- The 3rd 25% of the options granted can be exercised two years after the options were granted; and,
- The last 25% of the options granted can be exercised three years after the options were granted.

In 2022, a total of 3,349,470 share options were exercised at a price of P2.40 per share using the Parent Company treasury shares (see Note 26.3).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	2.5 years
Average share price at grant date	P2.86
Average exercise price at grant date	P2.43
Average fair value at grant date	P0.15
Average standard deviation of share price returns	20.17%
Average dividend yield	14.95%
Average risk-free investment rate	2.59%

The underlying expected volatility was determined by reference to historical prices of the Parent Company's shares.

26.5 Revaluation Reserves

The components and reconciliation of items of other comprehensive income (loss) presented in the consolidated statement of changes in equity at their aggregate amount under the Revaluation Reserves account are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Balance at beginning of year		(43,922,873)	(34,689,808)
Other comprehensive loss:			
Loss on remeasurement of post-employment defined benefit obligation	23.3	-	(12,310,753)
Tax income (expense)	24	-	3,077,688
		<u>-</u>	<u>(9,233,065)</u>
Balance at end of year		<u>(43,922,873)</u>	<u>(43,922,873)</u>

26.6 Retained Earnings

(a) Cash Dividends

<u>Date of Declaration</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Total Cash Dividends in PHP</u>	<u>Dividend Per Share in PHP</u>
<u>2025</u>				
Common shares:				
March 17, 2025	April 11, 2025	April 16, 2025	519,780,220	0.15
March 17, 2025	April 11, 2025	April 16, 2025	<u>103,956,045</u>	0.03
			<u>623,736,265</u>	
Preferred shares (CLIA1):				
November 10, 2025	January 2, 2026	January 12, 2026	39,126,462	18.96
November 10, 2025	April 6, 2026	April 13, 2026	39,126,462	18.96

November 10, 2025	July 2, 2026	July 13, 2026	39,126,462	18.96
November 10, 2025	October 2, 2026	October 12, 2026	39,126,462	18.96
			<u>156,505,848</u>	
Preferred shares (CLIA2):				
November 10, 2025	January 2, 2026	January 12, 2026	45,725,213	20.63
November 10, 2025	April 6, 2026	April 13, 2026	45,725,213	20.63
November 10, 2025	July 2, 2026	July 13, 2026	45,725,213	20.63
November 10, 2025	October 2, 2026	October 12, 2026	45,725,213	20.63
			<u>182,900,852</u>	
			<u>963,142,965</u>	

(b) *Appropriated Retained Earnings Releases*

In 2026 and 2025, the Parent Company reversed certain appropriations made in previous years amounting to P642,500,224 and P1,693,661,345, respectively, to unrestricted retained earnings after partial fulfillment of its intended purpose. A portion of the Group's retained earnings, equivalent of the cost of treasury shares is legally restricted in accordance with Section 40 of the Revised Corporation Code.

26.1 Non-controlling Interests

The subsidiaries of the Group with significant NCI as at March 31, 2026 and December 31, 2025 are as follows.

(Amounts in PHP) Subsidiaries	NCI Ownership %		NCI Equity in Subsidiaries	
	2026	2025	2026	2025
YHEST	50%	50%	4,957,502,035	4,869,847,679
CHDI	50%	50%	2,610,228,600	2,598,519,983
El Camino	65%	65%	914,735,626	913,811,545
YHES	50%	50%	702,801,838	723,946,776
CBLRV	50%	50%	610,704,260	562,535,798
GGTT	50%	50%	457,784,562	442,335,971
CLI-LITE	12%	12%	270,386,171	240,669,176
CCLI	50%	50%	61,101,469	87,968,821
YES	50%	50%	79,432,077	89,461,966
MDC	22%	22%	79,464,906	79,501,359
MGR	55%	55%	32,598,930	33,478,145
SPE	36%	36%	20,657,906	25,433,229
BL Ventures	50%	50%	77,626,930	79,973,392
CLI MAC	40%	40%	148,215,419	148,163,103
CLI NUD	40%	40%	1,437,201,361	1,419,876,083
CLVI	40%	0%	798,429,742	-
			<u>13,258,871,832</u>	<u>12,315,543,027</u>

The analysis of the movement of NCI as at March 31, 2026 and December 31, 2025 are as follows:

(Amounts in PHP)	Note	March 31, 2026	December 31, 2025
Balance at beginning of year		12,315,523,025	9,960,543,018
Consolidation through step acquisition		-	1,415,278,385
Share in net profit during the year		146,848,807	992,888,942
Dividends		-	(854,000,000)
New and additional investments		796,500,000	800,812,680
Balance at end of year		<u>13,258,871,832</u>	<u>12,315,523,025</u>

There are no dividends for the first quarter of 2026. The dividends came from El Camino and YHEST in 2025

27. EARNINGS PER SHARE

EPS is computed as follows:

<i>(Amounts in PHP)</i>	March 31, 2026	March 31, 2025
Net profit attributable to Parent	880,853,457	995,371,058
Income available to common stockholders	880,853,457	995,371,058
Divided by weighted average number of outstanding common shares	3,465,201,467	3,465,201,467
Basic and diluted EPS	0.25	0.29

Aside from the employee share options, there were no instruments that could potentially dilute basic earnings per share in March 31, 2026 and 2025, hence basic EPS if the same as diluted EPS.

28. COMMITMENTS AND CONTINGENCIES

28.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases for certain condominium and parking units and retail building space (see Note 12). To manage its risks over these operating leases, the Group retains its legal title over the underlying assets and requires its lessee to pay security deposits at the start of the lease, which are forfeited in case a lessee pre-terminates without prior notice or before the expiry of the lease term without cause. The leases have terms ranging from one to 15 years, with renewal options, and include annual escalation from 5% to 10%.

The future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	March 31, 2026	March 31, 2025
Within one year	222,405,409	139,522,074
Within one but not more than 5 years	666,162,523	668,000,920
More than five years	573,328,006	446,823,610
	1,461,895,939	1,254,346,604

None of the rental income in 2026 and 2025 are related to variable lease payments.

28.2 Operating Lease Commitments – Group as Lessee

The Group entered into several short-term cancellable leases for its billboards, warehouse and staff house. Rent expense incurred from the short-term cancellable leases are shown as Rent under Operating Expenses in the consolidated statements of profit or loss (see Note 19).

As at March 31, 2026, the expected future rentals is expected to be more or less the same with the annual rent expense recognized because of the terms of the leases, which are less than 12 months.

28.3 Completion of Sold Units

The Group is obligated to finish the sold units that are at a certain stage of completion at the time of sale. The Group recognized a contract liability, which amounts to P303,045,808 and P345,034,388 as at March 31, 2026 and December 31, 2025, respectively, when it collects more than it is entitled to based on the stage of completion of the project development (see Note 17.2).

28.4 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations that are not reflected in the consolidated financial statements because the possible outflow of economic resource as a result of present obligations is considered improbable or remote or the amount to be provided cannot be measured reliably. As at March 31, 2026 and 2025, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's consolidated financial statements.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in Note 30. The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

It does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below and in the succeeding pages.

29.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from its operating, investing, and financing activities.

It has no significant foreign currency exposure risks as most of its transactions are carried out in Philippine pesos, its functional currency.

29.2 Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Group maintains credit policies and monitors its exposure to credit risk on a continuous basis. Receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. For contract receivables and contract assets, credit risk is mitigated by the Group's ability to repossess and resell the underlying property in accordance with contract terms and applicable laws. Management considers this recovery mechanism, together with historical cancellation and collection experience, in estimating expected credit losses.

(a) *Maximum exposure to credit risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets (including contract assets), as summarized below.

<i>(Amounts in PHP)</i>	Notes	March 31, 2026	December 31, 2025
Cash and cash equivalents	4	3,826,834,111	3,040,615,556
Receivables*	5	24,459,344,585	6,147,468,808
Contract assets	17.2	40,822,846,932	55,602,021,829
Due from related parties	25.1	87,727,036	78,394,118
Restricted escrow fund	8	-	449,119,013
Short-term investments	8	362,600,121	220,581,011
Refundable deposits	13	208,976,016	205,268,395
		69,768,328,801	65,743,468,730

*Receivables excludes advances to officers and employees.

(b) *Credit Quality*

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

Other receivables, due from related parties and refundable deposits are considered to be unrated. For trade receivables, standard grade pertains to receivables with no default in payments and are effectively collateralized by the real estate inventories which can be subject to repossession upon non-payment of customers after reasonable collection effort has been exerted by the Group.

The quality of the Group's financial assets as at March 31, 2026 and December 31, 2025 is shown below.

<i>(Amounts in PHP)</i>	<u>Neither past due not impaired</u>			<u>Past due but not impaired</u>	<u>Individually impaired</u>	<u>Total</u>
	<u>High grade</u>	<u>Standard grade</u>	<u>Unrated</u>			
2026						
Cash and cash equivalents	3,826,834,111	-	-	-	-	3,826,834,111
Receivables:						
Contract	-	21,629,024,208	-	1,560,146,412	-	23,189,170,620
Others	-	-	1,268,859,672	-	1,314,293	1,270,173,965
Contract assets	-	40,822,846,932	-	-	-	40,822,846,932
Due from related parties	-	-	87,727,036	-	-	87,727,036
Restricted escrow fund	-	-	-	-	-	-
Short-term investments	362,600,121	-	-	-	-	362,600,121
Refundable deposits	-	-	208,976,016	-	-	208,976,016
	4,189,434,232	62,451,871,140	1,565,562,724	1,560,146,412	1,314,293	69,768,328,801
2025						
Cash and cash equivalents	3,040,615,556	-	-	-	-	3,040,615,556
Receivables:						
Contract	-	4,824,774,614	-	159,127,347	-	4,983,901,961
Others	-	-	1,162,385,952	-	1,180,895	1,163,566,847
Contract assets	-	55,602,021,829	-	-	-	55,602,021,829
Due from related parties	-	-	78,394,118	-	-	78,394,118

Restricted escrow fund	449,119,013	-	-	-	-	449,119,013
Short-term investments	220,581,011	-	-	-	-	220,581,011
Refundable deposits	-	-	205,268,395	-	-	205,268,395
	<u>3,710,315,580</u>	<u>60,426,796,443</u>	<u>1,446,048,465</u>	<u>159,127,347</u>	<u>1,180,895</u>	<u>65,743,468,730</u>

29.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored regularly using short-term and rolling cash flow projections. Long-term liquidity needs for a six-month and one-year period are identified monthly. It maintains cash to meet its liquidity requirements. Excess cash are invested in short-term placements.

(Amounts in PHP)	Current		Non-current	
	Within Six Months	Six to 12 Months	One to Five Years	More than Five Years
March 31, 2026				
Interest-bearing loans and borrowings	6,396,075,210	3,370,313,371	27,201,320,646	11,185,889,684
Bonds payable	2,766,260,000	-	10,023,630,000	1,215,300,000
Trade and other payables*	26,981,727,753	1,230,340,771	4,492,812,048	-
	<u>36,144,062,963</u>	<u>4,600,654,142</u>	<u>41,717,762,694</u>	<u>12,401,189,684</u>
December 31, 2025				
Interest-bearing loans and borrowings	4,584,423,585	4,897,555,926	17,336,767,879	24,888,397,593
Bonds payable	3,234,760,250	382,738,827	11,316,034,284	2,426,060,974
Trade and other payables*	24,545,383,110	5,002,899,667	497,663,421	-
	<u>32,364,566,945</u>	<u>10,283,194,420</u>	<u>29,150,465,584</u>	<u>27,314,458,567</u>

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

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

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

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)	Notes	2026		2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
At amortized cost:					
Cash and cash equivalents	4	3,826,834,111	3,826,834,111	3,040,615,556	3,040,615,556
Receivables - net ¹	5	24,459,344,585	24,459,344,585	6,147,468,808	6,147,468,808
Due from related parties	25.1	87,727,036	87,727,036	78,394,118	78,394,118
Restricted escrow fund	8	-	-	449,119,013	449,119,013
Short-term investments	8	362,600,121	362,600,121	220,581,011	220,581,011
Refundable deposits	13	208,976,016	208,976,016	205,268,395	205,268,395
		<u>28,945,481,869</u>	<u>28,945,481,869</u>	<u>10,141,446,901</u>	<u>10,141,446,901</u>

Financial Liabilities						
At amortized cost:						
Interest-bearing loans and borrowings	14	48,153,598,911	48,153,598,911	46,773,795,211	47,811,285,919	
Bonds payable	15	14,005,190,000	14,005,190,000	13,874,488,611	14,481,548,887	
Trade and other payables ²	16	32,199,764,481	32,199,764,481	30,045,946,198	30,045,946,198	
		<u>94,358,553,392</u>	<u>94,358,553,392</u>	<u>90,694,230,020</u>	<u>92,338,781,004</u>	

¹ Receivables - net excludes advances to officers and employees.

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

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial assets	Financial assets set-off		Financial instruments	Cash collateral received	
March 31, 2026						
Cash and cash equivalents	<u>3,826,834,111</u>	-	<u>3,826,834,111</u>	<u>3,817,726,590</u>	-	<u>9,107,521</u>
December 31, 2025						
Cash and cash equivalents	<u>3,040,615,556</u>	-	<u>3,040,615,556</u>	<u>3,011,920,892</u>	-	<u>7,559,112</u>

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position	Related amounts set-off in the consolidated statements of financial position		Net amount
	Financial liabilities	Financial liabilities set-off		Financial instruments	Cash collateral received	
March 31, 2026						
Interest-bearing loans	<u>48,153,598,911</u>	-	<u>48,153,598,911</u>	<u>3,817,726,590</u>	-	<u>44,335,872,321</u>
December 31, 2025						
Interest-bearing loans	<u>46,773,795,211</u>	-	<u>46,773,795,211</u>	<u>3,011,920,892</u>	-	<u>43,761,874,319</u>

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., banks) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

30.3 Fair Value Measurements and Disclosures

(a) *Fair Value Hierarchy*

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Classification within the fair value hierarchy is determined based on the lowest level of input that is significant to the measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

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

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities, which are not measured at fair value in the 2026 and 2025 consolidated statements of financial position, but for which fair value is disclosed (see Note 30.1).

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
2026				
<i>Financial assets:</i>				
Cash and cash equivalents	3,826,834,111	-	-	3,826,834,111
Receivables – net ¹	-	-	24,459,344,585	24,459,344,585
Due from related parties	-	-	87,727,036	87,727,036
Short-term investments	362,600,121	-	-	362,600,121
Refundable deposits	-	-	208,976,016	208,976,016
	<u>4,189,434,232</u>	<u>-</u>	<u>24,756,047,637</u>	<u>28,945,481,869</u>

<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	48,153,598,911	48,153,598,911
Bonds payable	-	-	14,005,190,000	14,005,190,000
Trade and other payables	-	-	32,199,764,481	32,199,764,481
	<u>-</u>	<u>-</u>	<u>94,358,553,392</u>	<u>94,358,553,392</u>
2025				
<i>Financial assets:</i>				
Cash and cash equivalents	3,040,615,556	-	-	3,040,615,556
Receivables – net ¹	-	-	6,147,468,808	6,147,468,808
Due from related parties	-	-	78,394,118	78,394,118
Restricted escrow fund	449,119,013	-	-	449,119,013
Short-term investments	220,581,011	-	-	220,581,011
Refundable deposits	-	-	205,268,395	205,268,395
	<u>3,710,315,580</u>	<u>-</u>	<u>6,431,131,321</u>	<u>10,141,446,901</u>
<i>Financial liabilities:</i>				
Interest-bearing loans	-	-	47,811,285,919	47,811,285,919
Bonds payable	-	-	14,481,548,887	14,481,548,887
Trade and other payables	-	-	30,045,946,198	30,045,946,198
	<u>-</u>	<u>-</u>	<u>92,338,781,004</u>	<u>92,338,781,004</u>

¹ Receivables excludes advances to officers and employees.

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

Management has determined that the carrying amounts of the Group's financial assets and liabilities measured at amortized cost approximate their fair values due to their short-term nature, except for interest-bearing loans and borrowings and bonds payable, whose fair values were determined using discounted cash flow techniques based on market rates.

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

The Group has no non-financial assets measured at fair value as at March 31, 2026.

The table below shows the Levels within the hierarchy of investment property, which are not carried at fair value but whose fair value are required to be disclosed on a recurring basis as at March 31, 2026 (see Note 12).

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Property	<u></u>	<u>4,679,673,200</u>	<u>19,346,714,509</u>	<u>24,026,387,709</u>

The fair value of the Group's investment properties was determined based on independent appraisals using market-based valuation techniques.

To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the parcels of land and buildings, and the comparable prices in the corresponding property location.

The fair value of these parcels of land, condominium units, parking units, construction-in-progress and retail building were determined based on the following approaches:

(i) *Fair Value Measurement for Land, Condominium Units, Parking units and Retail Buildings*

The Level 3 fair value of the parcels of land, condominium units, retail building and parking slots under Investment Properties account was determined using the market approach, adjusted for differences in key attributes such as properties size, zoning and accessibility.

Under the market approach, when comparable lease offerings of similar properties and sales prices of comparable land properties in close proximity are used in the valuation of the subject property with insignificant adjustment on the price, fair value is included in Level 2. Consequently, if the observable recent prices of the reference properties were adjusted significantly for differences in key attributes such as properties size, zoning and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

(ii) *Fair Value Measurement for Improvements under Retail Buildings*

The Level 3 fair value of building improvements presented as part of retail buildings under Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change on the valuation techniques used by the Group, except as indicated above, during the period for its investment properties. There were no transfers into or out of Level 2 fair value hierarchy for the periods ended March 31, 2026 and December 31, 2025.

31. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

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

<i>(Amounts in PHP)</i>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Total interest-bearing loans and borrowings and bonds payable	61,859,653,797	60,648,283,822
Total equity	36,550,956,038	34,726,753,831
Debt-to-equity ratio	<u>1.69:1.00</u>	<u>1.75:1.00</u>

The Group's goal in capital management is to limit a maximum debt-to-equity structure ratio of 75:25 on a monthly basis. The Group is required to maintain certain financial ratios in relation with its borrowings (see Notes 14 and 15). The Group has complied with its covenant obligations for both periods ended March 31, 2026 and December 31, 2025.