COVER SHEET

SEC Registration Number

7	7	8	2	3						

COMPANY NAME

CITYLAND DEVELOPMENT CORPORATION

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
20-IS	MSRD	Not Applicable

(Preliminary Information Statement)

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
cdc_rg@cityland.net	8-893-6060	0962-072-2479

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
636 (as of March 31, 2024)	1st Tuesday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
RUDY GO	cdc_rg@cityland.net	8-893-6060	0962-072-2479

CONTACT PERSON'S ADDRESS

3F Cityland Condominium 10 Tower II, 154 H.V. Dela Costa Street, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

CITYLAND

CITYLAND DEVELOPMENT CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting (ASM) of **CITYLAND DEVELOPMENT CORPORATION (the Company)** will be held virtually or via remote communication on **June 4, Tuesday, at 4:00 pm.**

The following shall be the agenda of the meeting:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Determination of Quorum and Rules of Conduct and Procedures
4. Approval of Minutes of Previous Annual Stockholders' Meeting
5. President's Report
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Confirmation of all acts of the Board of Directors for the period covering January 1, 2023 to December 31, 2023 adopted in the ordinary course of business, including but not limited to:
   a. Approval of investments;
   b. Treasury matters related to opening of accounts and bank transactions;
   c. Appointment of signatories and amendments thereof; and
   d. Approval of Annual Report and related Financial Statements
9. Other matters which may be raised by the body
10. Adjournment

For the purpose of the meeting, only stockholders of record as of May 3, 2024 are entitled to attend and vote in the said meeting.

Stockholders who intend to attend and participate in the virtual meeting through proxy shall first submit via email to info@professionalstocktransfer.com the scanned copy of the letter of intent to attend and participate via proxy by remote communication. Once validated, a registered stockholder will receive via email the proxy form.

Validation of proxies shall be until 4:00PM of May 28, 2024. Registered stockholders will receive the meeting link and password two days before the ASM.

Only stockholders who have notified the Company of their intention to participate in the virtual meeting and have registered themselves or their proxies, will be included in the determination of a quorum.

We are not soliciting your proxy.

The requirements and procedures for voting and participation in the meeting through remote communication will be discussed further in the Information Statement which shall be made available to the public not later than May 14, 2024 through PSE Edge and the Company's website.

For ASM related queries, kindly send an email to stocks@cityland.net or contact the Office of the Corporate Secretary at 8893-6060 local 224/236.

For account updating concerns, please contact the Company's Stock Transfer Agent, Professional Stock Transfer, Inc. (Attention: Mr. Crescencio P. Montemayor), through (02) 8687-4053 or via electronic mail at info@professionalstocktransfer.com.

We encourage all registered stockholders to log onto the meeting link fifteen (15) minutes before the meeting starts, to avoid any technical difficulty. The meeting will start promptly at 4:00 in the afternoon.

The meeting shall be recorded in audio and video format and copies shall be kept by the Company.

Copies of the minutes of the Annual Stockholders' Meeting held last June 6, 2023 will be available upon request.

Makati City, April 18, 2024

FOR THE BOARD OF DIRECTORS

ATTY. ALBERT ANTHONY H. OCAMPO
Corporate Secretary

EXPLANATION OF AGENDA ITEMS REQUIRING STOCKHOLDERS' APPROVAL

In accordance with *Article VII – Stockholders' Meeting* of the Company's Amended By-Laws, the annual meeting of the stockholders shall be held every 1st Tuesday of June of each calendar year at four o'clock in the afternoon, when the Board of Directors shall be elected by plurality of votes by ballot system or viva voce. The 2024 Annual Stockholders' Meeting (hereinafter referred to as "ASM") shall be held on June 6, 2024.

Item 1: Call to Order

The Chairman of the Board of Directors will formally call the meeting to order.

Item 2: Proof of Notice of Meeting

Rationale: To inform the stockholders that the notices of meeting were sent to all stockholders in accordance with the Revised Corporation Code of the Philippines and Company's Amended By-laws.

The Corporate Secretary (or Secretary) will certify the date when notices for the 2024 ASM were sent out to the stockholders of record, including the date of publication and the newspapers where the notice was published.

Item 3: Determination of Quorum and Voting Procedures

Rationale: To determine the presence of a quorum for the 2024 Annual Stockholders' Meeting and to inform the stockholders of the voting procedures for the agenda items to be discussed in the ASM.

The Secretary will inform the body and attest to the existence of a quorum in the meeting. As stated in the Company's Amended By-Laws, the stockholders' meeting shall be competent to decide any matter or transact any business, provided a majority of the subscribed capital stock is present or represented thereat, except in those cases wherein the Corporation Laws require the affirmative vote of a greater proportion. The number of shares represented in the meeting is validated by a third-party stock transfer agent.

Voting Procedures

Each common share shall be entitled to one vote with respect to all matters to be taken up during the Annual Stockholders' Meeting. In accordance with the Company's Amended By-Laws, voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita.

At least a majority of the outstanding capital stock of the Company is required for the election of directors and approval of the following matters:

a. Minutes of the previous Annual Stockholders' Meeting;
b. Appointment of external auditor; and
c. Acts of the management and of the Board of Directors relative to Annual Report and related financial statements.

The Company's Stock Transfer Agent together with the Office of the Corporate Secretary will tabulate all valid and confirmed votes. The Company also has an independent party that will validate the votes counted by the Secretary.

The voting procedures are discussed further in the Information Statement

Item 4: Approval of Minutes of Previous Annual Stockholders' Meeting (ASM)

Rationale: To obtain from the stockholders the approval of the minutes of the ASM held last June 6, 2023.

The Chairman will request the Secretary to read the minutes of the said meeting. The minutes of ASM held last June 6, 2023 are posted in the Company's website (http://cityland.net/). The minutes of the previous ASM are hereby presented to the stockholders for approval.

Item 5: President's Report

Rationale: To inform the stockholders of the Company's financial position and performance.

The Secretary will read the President's Report on the Company's financial position and performance as of and for the year ended, December 31, 2023 including any future projects of the Company. The detailed discussion of the financial position and results of operations are presented in the Preliminary Information Statement. The audited financial statements are duly submitted to the Securities and Exchange Commission, Philippine Stock Exchange and the Bureau of Internal Revenue.

Representatives of Sycip Gorres Velayo & Co., the Company's external auditor for the Year 2023, are invited in the ASM to respond to queries concerning the audited financial statements.

Item 6: Election of Directors (including Independent Directors)

Rationale: To give the stockholders the opportunity to elect the Company's Board of Directors in accordance with Section 23 of the Revised Corporation Code and the Company's Amended By-Laws.

In accordance with the Company's Amended By-Laws, the general management of the Corporation, shall be vested in a Board of nine (9) directors, at least two (2) of whom shall be independent directors, who are stockholders and who shall be elected annually by the stockholders owning or representing the majority of the subscribed capital stock for the term of one (1) year and shall serve until the election and qualification of their successors.

A nomination of independent directors shall be conducted by the Nomination Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.

The names of the individuals who have been duly nominated as members of the Board of Directors of the Company, including independent directors, shall be presented during the ASM. The qualifications and profiles of the nominees are discussed in the Information Statement. The stockholders who nominated the independent directors and other members of the Board are also disclosed in the Information Statement.

Item 7: Appointment of External Auditor

Rationale: To appoint external auditor who will provide an opinion as to the fairness of the financial statements of the Company and assess the adequacy of the internal controls implemented by the Company.

The Audit and Risk Committee will recommend to the Board of Directors the appointment of external auditor who will provide an opinion on the fairness of the financial statements of the Company and assess the adequacy of internal controls implemented by the Company. The Audit and Risk Committee, in its meeting held on April 11, 2024, recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditor for the calendar year 2024.

The re-appointment of Sycip Gorres Velayo & Co. was approved by the Board of Directors and shall be presented to the stockholders for approval.

Item 8: Confirmation of all acts of the Board of Directors for the period covering January 1, 2023 to December 31, 2023 adopted in the ordinary course of business

Rationale: To obtain from the stockholders confirmation of all the acts of the Board of Directors for the period covering January 1, 2023 to December 31, 2023.

Confirmation of all the acts of the Board of Directors will be requested from the stockholders. All significant transactions required to be submitted to the Securities and Exchange Commission through SEC Form 17-C and to the Philippine Stock Exchange can be accessed on the Company's website (http://cityland.net/).

Item 9: Other Matters which may be raised by the body

Rationale: To give the stockholders the opportunity to ask questions and raise concerns.

The Chairman will ask the stockholders if there are other matters which any stockholder would like to present in the ASM. Such item/s will be discussed in the 2024 ASM.

CERTIFICATION

I, Rudy Go, Senior Vice President of Cityland Development Corporation (the Company) with SEC Registration No. of 77823 with principal office address at 2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, on oath state:

1. That I have caused this SEC Form 17C, **Item no. 9 - Other Events** to be prepared on behalf of Cityland Development Corporation;
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or on authentic records;
3. That Cityland Development Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that documents filed online which require pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account designated by the Company pursuant to SEC Memorandum Circular No. 28, s.2020 shall be used in its online submissions to CGFD/MSRD.

IN WITNESS WHEREOF, I have hereunto set my hand this **18th day of April, 2024.**

Rudy Go
Affiant

SUBSCRIBED AND SWORN to before me this day APR 18 2024 at PASIG CITY, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

Doc. No. 361;
Page No. 74;
Book No. V;
Series of 2024.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENT

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   [**x**] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of the Registrant as specified in its charter **Cityland Development Corporation**

3. **Makati City, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **77823**

5. BIR Tax Identification Code **000-527-103**

6. **2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City** — **1226**
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code **(632) 8-893-6060**

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

   Date - **June 4, 2024**
   Time - **4:00 PM**
   Place - **Virtually via ZOOM**

9. Approximate date on which the Information Statement is to be first sent or given to security holders
   May 14, 2024

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

Title of Each Class	Number of Shares Outstanding
Unclassified Common Shares	**4,976,499,325 (net of 1,937,947 treasury shares)**

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

    Yes __x__ No _____

    If yes, disclose the name of such stock exchange and the class of securities listed therein:

Stock Exchange	Title of Each Class
Philippine Stock Exchange	**Unclassified Common Shares**

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date	-	June 4, 2024
Time	-	4:00 PM
Place	-	Virtually via ZOOM
Principal Office	-	2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Philippines

The presiding officer shall call and preside the Annual Stockholders' Meeting (ASM) at Makati City, where the principal office of the Corporation is located.

Approximate date on which the Information Statement is to be first sent or given to security holders **May 14, 2024.**

II. Dissenters' Right of Appraisal

Under the Section 80 of the Revised Corporation Code, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

1. In case an amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of the outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;

3. In case of merger or consolidation; and

4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Section 81 of the Revised Corporation Code also mentioned how such right is exercised:

1. The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

2. If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

There are no matters to be acted upon at the Annual Stockholders' Meeting of the Registrant which would fall under any of the foregoing instances of appraisal.

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

1. No person who has been a director or officer of the Registrant, nor a nominee for election as a director of the Registrant, nor any of their associates have a substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting, other than the election of directors for the fiscal year 2024.

2. No director has informed the Registrant in writing that he intends to oppose any action to be taken at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

IV. Voting Securities and Principal Holders Thereof

1. The Registrant has **4,976,499,325** unclassified common shares issued and outstanding (excluding treasury shares which total to **1,937,947**) as of **March 31, 2024**. Each common share shall be entitled to one vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.
2. The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting and also to this information statement is on **May 3, 2024**.
3. In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he owns multiplied by the number of directors to be elected. All stockholders shall have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

4. Security Ownership of Record and Beneficial Owner and Management

   a. Security Ownership of Record and Beneficial Owner owning more than 5% of the outstanding capital stock of the Registrant as of March 31, 2024:

Title of Class	Name, Address & Relationship with Issuer	Beneficial Owner & Relationship	Citizenship	No. of Shares Held	%
Unclassified common shares	Cityland, Inc. 3/F Cityland Condominium 10 Tower 1,156 H.V. Dela Costa Street, Makati City - principal stockholder		Filipino	2,536,813,215	50.98%

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

*The following directors/stockholder direct the voting or disposition of the shares held by Cityland, Inc. (Beneficial Owners):

Title of Class	Name, Address of Record Owner & Relationship with Cityland, Inc	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	%
Unclassified common shares	Dr. Andrew I. Liuson Director/Chairman of the Board	-same as record owner -	Filipino	21,362,374	13.63%
Unclassified common shares	Mrs. Grace C. Liuson Director/Vice Chairman of the Board	-same as record owner -	Filipino	23,142,505	14.77%
Unclassified common shares	Mr. Josef C. Gohoc Director/President	-same as record owner -	Filipino	2,434,648	1.55%
Unclassified common shares	Mrs. Helen C. Roxas Director	-same as record owner -	Filipino	14,241,574	9.09%
Unclassified common shares	Mr. Peter S. Dee Independent Director	-same as record owner -	Filipino	52	0.00%
Unclassified common shares	Mr. Benjamin I. Liuson Director	-same as record owner -	Filipino	11	0.00%
Unclassified common shares	Mr. Jefferson C. Roxas Director	-same as record owner -	Filipino	91,920	0.06%
Unclassified common shares	Bp. Eduardo C. Villanueva Independent Director	-same as record owner -	Filipino	10	0.00%
Unclassified common shares	Mr. Stephen C. Roxas Stockholder owning more than 5% of Cityland, Inc.	-same as record owner -	Filipino	44,180,982	28.20%
Unclassified common shares	The Good Seed Sower Foundation, Inc. 581 Quintin Paredes St, Binondo, Manila Stockholder owning more than 5% of Cityland, Inc.	Josef Gohoc, Chairman Cris Giovanni Chiong, President Johann Gohoc, Vice President Joel Gohoc, Treasurer Jefferson Roxas, Corporate Secretary	Filipino	23,498,542	15.00%

Title of Class	Name, Address of Record Owner & Relationship with Cityland, Inc	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	%
Unclassified common shares	Mrs. Lucy Fan Stockholder owning more than 5% of Cityland, Inc.	-same as record owner -	American	14,241,574	9.09%

b. No change of control in the corporation has occurred since the beginning of its fiscal year.

c. Security Ownership of Management as of March 31, 2024:

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
Directors:					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	181,096,745	Direct / Indirect	Filipino	3.64%
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	238,252,393	Direct	Filipino	4.79%
Unclassified common shares	Josef C. Gohoc Director / President	120,213,712	Direct / Indirect	Filipino	2.41%
Unclassified common shares	Peter S. Dee Independent Director / Chairman – Audit & Risk Committee	636,314	Direct	Filipino	0.01%
Unclassified common shares	George Edwin Y. SyCip Independent Director / Chairman – Corporate Governance Committee	1,263	Direct	American	–
Unclassified common shares	Eduardo C. Villanueva Independent Director	1,076	Direct	Filipino	–
Unclassified common shares	Helen C. Roxas Director	75,646,299	Direct	Filipino	1.52%
Unclassified common shares	Benjamin I. Liuson Director	536,836	Direct	Filipino	0.01%
Unclassified common shares	Jefferson C. Roxas Director	131,867,476	Direct	Filipino	2.65%
Executive Officers:					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	–	–	Filipino	–
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	–	–	Filipino	–
Unclassified common shares	Josef C. Gohoc Director / President	–	–	Filipino	–
Unclassified common shares	Emma A. Choa Executive Vice President / Chief Operating Officer	3,360,960	Direct	Filipino	0.07%
Unclassified common shares	Rudy Go Senior Vice President / Treasurer / Chief Financial Officer /Compliance Officer & Corporate Information	2,268,114	Direct	Filipino	0.05%

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
	Officer / Data Protection Officer / Investor Relations Officer				
Unclassified common shares	Melita L. Tan Vice President	761,204	Direct	Filipino	0.02%
Unclassified common shares	Rosario D. Perez Vice President – Executive Affairs	801,751	Direct	Filipino	0.02%
–	Atty. Albert Anthony H. Ocampo Corporate Secretary	–	–	Filipino	–
–	Jocelyn C. De Asis Assistant Corporate Secretary	–	–	Filipino	–
–	Hazel Anne C. Paule Head of Internal Audit Department	–	–	Filipino	–
Security Ownership of all Directors and Officers		755,444,143			15.19%

It is the policy of the Cityland Development Corporation (the Company) to have timely and accurate disclosures to regulatory agencies. Any change in the shareholdings resulting from transactions entered into by the directors and executive officers, either by acquisition or disposal are reported to the Philippine Stock Exchange and Securities and Exchange Commission within five days from the date of the transaction. The Company requires its directors and officers to report immediately to the Corporate Secretary and the Compliance Officer any plan/s to transact with the shares of the Company.

For the past five (5) years, there were no transactions pertaining to trading by insiders. The Company continues to adhere with existing government regulations.

The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Board assessment helps the directors to thoroughly review their performance and understand their roles and responsibilities. The periodic review and assessment of the Board's performance as a body, the board committees, the individual directors, and the Chairman show how the aforementioned should perform their responsibilities effectively. In addition, it provides a means to assess a director's attendance at board and committee meetings, participation in the board room discussions and manner of voting on material issues.

d. The Registrant knows no person holding more than 5% of common shares under a voting trust or similar agreement.

e. Percentage of ownership as of March 31, 2024:

Nationality	Number of shares	Percentage of ownership
Local-owned shares (Filipino)	4,835,584,519	97.17
Foreign-owned shares (Non-Filipino)	140,914,806	2.83
Total	4,976,499,325	100.00

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

V. Directors and Executive Officers

1. Identify Directors, Including Independent Directors, and Executive Officers

The following are the Directors and Executive Officers of the Company for the year 2023 with updated information as of March 31, 2024:

Name	Citizenship	Position(s)	Term of Office (Year)	Period of Service	Age	Family Relationship
Dr. Andrew I. Liuson	Filipino	Director Chairman of the Board	1	09/25/1979 - present 12/13/2017 - present	79	Husband of Grace C. Liuson; and brother of Benjamin I. Liuson
Grace C. Liuson	Filipino	Director Vice Chairman of the Board Deputy Vice Chairman of the Board	1	09/25/1979 - present 01/05/2018 - present 02/01/2011 - 01/04/2018	78	Wife of Dr. Andrew I. Liuson; sister-in-law of Helen C. Roxas & Benjamin I. Liuson; and aunt of Josef C. Gohoc & Jefferson C. Roxas
Josef C. Gohoc	Filipino	Director President	1	01/04/2011 - present 02/01/2011 - present	54	Nephew of Dr. Andrew I. Liuson, Grace C. Liuson, & Helen C. Roxas; and cousin of Jefferson C. Roxas
Helen C. Roxas	Filipino	Director	1	09/25/1979 - present	74	Sister-in-law of Dr. Andrew I. Liuson & Grace C. Liuson; and Mother of Jefferson C. Roxas
Benjamin I. Liuson	Filipino	Director	1	06/06/2019 - present	74	Brother of Dr. Andrew I. Liuson; and brother-in-law of Grace C. Liuson
Jefferson C. Roxas	Filipino	Director	1	12/07/2021 - present	41	Nephew of Dr. Andrew I. Liuson, Grace C. Liuson; son of Helen C. Roxas; and cousin of Josef C. Gohoc
Peter S. Dee	Filipino	Independent Director Chairman - Audit & Risk Committee	1	10/1979 - present 08/2002 - present	82	---
George Edwin Y. SyCip	American	Independent Director Chairman - Corporate Governance Committee	1	12/13/2017 - present 04/06/2018 - present	67	---
Eduardo C. Villanueva	Filipino	Independent Director	1	03/10/2021 - present	77	---
Emma A. Choa	Filipino	Treasurer Executive Vice President Chief Operating Officer	1	02/01/2011 – 06/07/2023 01/01/2015 - present 06/07/2023 - present	63	---
Rudy Go	Filipino	Senior Vice President/Chief Financial Officer/ Compliance Officer & Corporate Information Officer Data Protection Officer Investor Relations Officer Treasurer	1	01/01/2015 - present 08/29/17 - present 06/06/18 - present 06/07/23 - present	64	---

Name	Citizenship	Position(s)	Term of Office (Year)	Period of Service	Age	Family Relationship
Melita L. Tan	Filipino	Vice President	1	02/21/2004 - present	63	---
Rosario D. Perez	Filipino	Vice President - Executive Affairs	1	02/09/2017 - present	64	---
Atty. Albert Anthony H. Ocampo	Filipino	Corporate Secretary	1	04/05/2021 - present	57	---
Jocelyn C. De Asis	Filipino	Assistant Corporate Secretary	1	04/05/2021 - present	54	---
Hazel Anne C. Paule	Filipino	Head of Internal Audit Department	1	01/01/2024 - present	30	---

There were no directors who resigned or declined to stand for re-election to the Board of Directors since the last date of the last annual meeting of security holders because of a disagreement with the Registrant on any matter relating to the Registrant's operations, policies or practices.

Business Experience for the Past Five Years up to Present

Name	Name of Office	Positions
DR. ANDREW I. LIUSON	Cityland, Inc.	Director / Chairman of the Board
	City & Land Developers, Incorporated	Director / Vice Chairman of the Board
	Cityplans, Incorporated	Director / Chairman of the Board
	Febias College of Bible	Chairman
	International Graduate School of Leadership	Chairman
	Philippine Council of Evangelical Churches	Chairman
	Makati Gospel Church	President / Trustee
GRACE C. LIUSON	Cityland, Inc.	Director / Vice Chairman of the Board
	City & Land Developers, Incorporated	Director / Deputy Vice Chairman of the Board
	Cityplans, Incorporated	Director / Executive Vice President / Treasurer
	Youth Gospel Center in the Philippines	Treasurer / Trustee
	Makati Gospel Church	Treasurer / Trustee
JOSEF C. GOHOC	Cityland, Inc.	Director / President
	City & Land Developers, Incorporated	Director / President
	Cityplans, Incorporated	Director / Chairman of the Board
	Asian Business Solutions, Inc.	Director
	Philippine Trading & Investment Corporation	Director
	Atlas Agricultural & Mercantile Development Corp.	Director
	Febias College of Bible	Board of Trustee
	International Graduate School of Leadership	Board of Trustee
	The Good Seed Sower Foundation, Inc.	Board of Trustee / Chairman
	Cityads Incorporated	President
	CityLots Holdings, Inc.	Director
	CityMerge Holdings Inc.	Director
PETER S. DEE	Alpolac, Inc.	Director
	China Banking Corporation	Director
	CBC Properties & Computer Center, Inc.	Director / President
	Cityland, Inc.	Independent Director / Chairman - Audit & Risk Committee / Chairman - Corporate Governance Committee
	City & Land Developers, Incorporated	Independent Director / Chairman - Audit & Risk Committee
	Cityplans, Incorporated	Independent Director / Chairman- Compensation Committee / Chairman-Audit Committee / Member-Nomination and Election Committee

Name	Name of Office	Positions
	Commonwealth Foods, Inc.	Director
	GDSK Development Corporation	Director
	Makati Curbs Holdings Corporation	Director
	Great Expectation Holdings, Inc.	Director / Chairman / President
	The Big D Holdings Corporation	Director / Chairman / President
	CBC Insurance Broker Inc.	Chairman of the Board
	Can Lacquer, Inc.	Director
	GPL Holdings, Inc.	Director
	KK Converters Co. Ltd.	Director
	MSD Company Inc.	Director
	Prochem, Inc.	Director
	Sinclair (Phils.) Inc.	Director
	Sol Mar Y Tierra Resources	Director
	Silver Falcon Insurance Agency	Director
	Banker's Association of the Philippines	Director
	CBC Forex Corporation	Director
	Asean Finance Corporation Limited	Director
	Hydee Management & Resources	Director
	Corporation	Director
	Kemwerke, Inc.	Director
GEORGE EDWIN Y. SYCIP	Halanna Management Corp.	President
	Bank of the Orient	Director
	Asian Alliance Holdings and Development Corp.	Director
	FMF Development Corporation	Director
	Paxys, Inc.	Director
	Premiere Horizon Alliance Corporation	Director
EDUARDO C. VILLANUEVA	House of Representatives	Deputy Speaker for Good Governance & Moral Uprightness of the Philippine Congress / Representative, Citizens' Battle Against Corruption (CIBAC) party-list
	Jesus Is Lord Church Worldwide	Founder / President & Spiritual Director
	Jesus Is Lord Colleges Foundation (JILCF), Inc.	Chancellor
	Jesus the Healer Foundation, Inc.	President
	Pilipinas kay Jesus Movement Foundation, Inc.	Chairman Emeritus
	PJM Foundation, Inc.	Chairman Emeritus
	Bangon Pilipinas National Renewal Movement (ARISE PHILIPPINES)	Chairman / President
	Asia for Christ Movement (AFCM)	President
	Agape Foods Corporation	Director
	JV ZOE Agape, Inc.	Director
	Cityland, Inc.	Independent Director
HELEN C. ROXAS	Cityland, Inc.	Director
	City & Land Developers, Incorporated	Director
	Good Tidings Foundation, Inc.	Treasurer
	Center for Community Transformation	Trustee
	CCT Kaibigan Ministry	Corporate Secretary
	Cityads, Incorporated	Director
	Credit & Land Holding, Inc.	Director
	Jefcon Incorporated	President
	Obadiah Incorporated	President
	Christian Executives Inc.	Treasurer
	Cityplans, Incorporated	Director
	MGC New Life Christian Academy	Trustee
BENJAMIN I. LIUSON	Cityland, Inc.	Director
	City & Land Developers, Incorporated	Director
	The Generics Pharmacy, Inc.	Chairman
	TGP Pharma Inc.	Chairman
	CL Realty Development Inc.	President
	Romans 828 Land, Inc.	President
	Silverwind Alloy Castings Inc.	Director
	Drugmakers Lab Inc.	Director

Name	Name of Office	Positions
	Febias College of Bible	Trustee
	Center for Community Transformation, Inc.	Trustee
	Gospel Operation Phil. Inc.	Trustee
	Bless Foundation Inc.	Trustee
	Global Filipino Movement, Inc.	Trustee
	Makati Gospel Church	Trustee
	Jedidiah Inc.	President
	Keziah Inc.	President
JEFFERSON C. ROXAS	Cityland, Inc.	Director
	City & Land Developers, Incorporated	Director
	Cityplans, Incorporated	Director/President
	Vision Properties Development Corporation	Partner
	Cityads, Incorporated	Chairman
	CityLots Holdings, Inc.	Director
	CityMerge Holdings Inc.	Director
	The Good Seed Sower Foundation, Inc.	Corporate Secretary
EMMA A. CHOA	Cityland, Inc.	Executive Vice President / Chief Operating Officer
	City & Land Developers, Incorporated	Chief Operating Officer / Executive Vice President / Director
	Cityplans, Incorporated	Director
	WorldNet Information and Services, Inc.	Treasurer
	CityMerge Holdings Inc.	Treasurer / Director
RUDY GO	Cityland, Inc.	Senior Vice President /Chief Financial Officer / Compliance Officer & Corporate Information Officer / Data Protection Officer / Investor Relations Officer / Treasurer
	City & Land Developers, Incorporated	Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer / Data Protection Officer / Investor Relations Officer / Treasurer
	Cityplans, Incorporated	Senior Vice President / Compliance Officer / Data Protection Officer
	Cityads Incorporated	Treasurer
	Credit and Land Holdings, Inc.	Treasurer / Board Member
	CityLots Holdings, Inc.	Treasurer / Director
MELITA L. TAN	Cityland, Inc.	Vice President
	City & Land Developers, Incorporated	Vice President
ROSARIO D. PEREZ	Cityland, Inc.	Vice President - Executive Affairs
	City & Land Developers, Incorporated	Vice President - Executive Affairs
	WorldNet Information and Services, Inc.	Auditor
ATTY. ALBERT H. OCAMPO	AAAH Ocampo Property Leasing & Management	Proprietor
	PCG Leasing & Management Corporation	
	Billyounow Corporation	Director
		Director
JOCELYN C. DE ASIS	Cityland, Inc.	Corporate Secretary
	City & Land Developers, Incorporated	Assistant Corporate Secretary
	Cityplans, Incorporated	Corporate Secretary
HAZEL ANNE C. PAULE	Cityland, Inc.	Head of Internal Audit Department
	City & Land Developers, Incorporated	Head of Internal Audit Department

2. Identify Significant Employees

There is no identifiable significant employee because the Registrant expects each employee to do his / her share in achieving the corporation's goals.

3. Involvement in Certain Legal Proceedings of Any of the Directors and Executive Officers During the Past Five Years up to the Latest Date

During the past five years up to the latest date, there are no involvements in certain legal proceedings of any of the directors and executive officers in any court or administrative agency of the government.

a. None of them has been involved in any bankruptcy petition.
b. None of them has been convicted by final judgment in any criminal proceeding or being subject to a pending criminal proceeding, both domestic and foreign.
c. None of them has been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities.
d. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

4. Attendance of Board of Directors

For the year 2023, there were 28 Board of Directors' meetings. Below is the summary of the attendance of the Board of Directors:

	No. of Meetings Attended / Held		
	Regular	Special	Total
Dr. Andrew I. Liuson	4 / 4	24 / 24	28 / 28
Mrs. Grace C. Liuson	4 / 4	24 / 24	28 / 28
Mr. Josef C. Gohoc	4 / 4	24 / 24	28 / 28
Mr. Peter S. Dee	4 / 4	23 / 24	27 / 28
Mr. George Edwin SyCip	4 / 4	22 / 24	26 / 28
Mrs. Helen C. Roxas	4 / 4	24 / 24	28 / 28
Mr. Benjamin I. Liuson	4 / 4	24 / 24	28 / 28
Mr. Eduardo C. Villanueva	3 / 4	24 / 24	27 / 28
Mr. Jefferson C. Roxas	4 /4	24 / 24	28 / 28

5. Legal Proceedings to Which the Registrant or Any of its subsidiaries is a Party

The material legal proceedings to which the Company and its subsidiaries (the Group) is a party or of which any of its subject during the past five (5) years up to latest date are as follows:

- **COMPANY**

A. Cityland Development Corporation

1. Cristy Katsui vs. Cityland Development Corporation
OP Case No. 15-A-001
Office of the President
Date Instituted: June 26, 2012

Cristy Katsui filed a Complaint dated June 20, 2012 which was received by Cityland on July 20, 2012, seeking an order for the rescission of the Contract to Sell over a commercial unit no. G-11 in Makati Executive Tower IV and for the return of all the amortizations paid by her and her children in the total amount of P1,634,000.00.

Cityland stated in its Answer that it cancelled the above-mentioned Contract to Sell in compliance with the instruction of Katsui in her letter, in behalf of all the Buyers, dated June 21, 2011. She was informed that she is not entitled to any cash surrender value under R.A. No. 6552 that requires a minimum payment of 24 monthly installments. Katsui paid only 14 installments. Besides, the unit is a commercial unit which is not covered by the law which seeks to protect buyers of residential units. Unfavorable decision was rendered by the HLURB against Cityland, and the same was elevated to the Office of the President which affirmed the HLURB decision. Cityland filed its Motion for Reconsideration which is now for resolution.

2. **Gary Noble Esquivel vs. Cityland Dev. Corp., etal.**
   Human Settlements Adjudication Commission (HSAC)
   Department of Human Settlements and Urban Development (DHSUD)
   HSAC Case No. NCR-REM-220511-00500
   Date Instituted: May 11, 2022

   Gary Noble Esquivel filed a Complaint dated May 3, 2022 against Cityland for Specific Performance with Damages praying for full refund of all the payments made in the amount of Php1,264,426.45 for the purchase of Unit 2504 and Parking Slot P241 of Cityland's Pines Peak Tower 1, plus 6% interest and other damages due to alleged construction defects of the units and the building.

   Cityland stated in its Answer that Complainant has defaulted in the payment of his obligations and that the units and the building were constructed in accordance with the approved plans. Furthermore, Cityland noted that all complaints were addressed.

   In a Decision dated December 19, 2022, HSAC Adjudicator declared that the building was constructed according to the approved plans and gave Complainant four (4) months grace period from receipt of the Decision to settle all his obligations. Complainant has until May 13, 2023 to comply with the Decision. Complainant failed to comply with the Decision. Certificate of Finality was issued on May 29, 2023. Complainant filed a Motion for Issuance of Writ of Execution dated October 24, 2023, which was granted by the HSAC in an Order dated November 10, 2023.

B. City & Land Developers, Incorporated

1. **Republic of the Philippines represented by the Department of Public Works and Highways (DPWH), through the Bureau of Design-Right of Way Office (BODROWO) versus City & Land Developers, Inc. (CLDI)**
   Case No. CA G.R. No. CV-112245
   Paranaque Regional Trial Court – Branch 274
   Date Instituted: July 16, 2013

   DPWH filed a Complaint for Expropriation of certain portions of the properties, including the improvements therein, of CLDI located in Barangay Tambo, Paranaque City, which will be part of the NAIA Expressway Project Phase II.

   CLDI disputed the valuation made by the DPWH on the properties. The Court issued a Decision in favor of CLDI. The DPWH thru the Office of the Solicitor General (OSG) filed its Motion for Reconsideration which was granted by the new presiding Judge. CLDI filed a Notice of Appeal which was favorably granted by the Court of Appeals. The OSG filed its Motion for Reconsideration, then CLDI filed its Comment/Objection thereto. An Amended Decision was issued by the Court of Appeals as to the interest to be paid by the DPWH. Entry of Judgement has been issued by the Court of Appeals. Records were remanded to Parañaque RTC. CLDI filed Motion for Issuance of Writ of Execution but the Office of the Solicitor Genera; opposed and RTC denied the motion. Coordination is being made for the execution of the judgment.

2. **Sta. Ana Village Homeowners' Assoc. Inc. (SAVHA) vs. City & Land Developers, Inc.**
   Civil Case No. 12-009
   Paranaque Regional Trial Court – Branch 274
   Date Instituted: January 16, 2012

   SAVHA filed a Complaint dated January 16, 2012 which was received by CLDI on March 3, 2012, to enjoin defendant and all persons allowed by said defendant CLDI from using Benedictine Street in Sta. Ana Village, Barangay Sun Valley, Paranaque City, and to order the defendant by way of a writ of mandatory injunction, to open another outlet to the main road without cost or liability to plaintiff.

CLDI stated in its Answer that plaintiff has not proven its claim over Benedictine Street because the Deed of Donation used by the plaintiff is a falsified and/or spurious document. Furthermore, there is a Right-of-Way Agreement for Benedictine Street. Case was dismissed. However, SAVHA filed a Motion for Reconsideration which was granted. SAVHA's unnotarized Judicial Affidavit of its first witness was expunged from the records of the case. SAVHA's legal counsel withdrew from the case. New counsel for SAVHA appeared. First witness of SAVHA was cross-examined by CLDI counsel – witness got confused as to identity of respondent and presented title of CI but they sued CLDI, hence, complainant sued the wrong corporation. SAVHA submitted its Motion for Leave to Admit Amended Complaint which CLDI opposed. The Court denied the Motion and its succeeding Motion for Reconsideration & ordered the continuation of the hearing for the case. SAVHA was not able to present any other witness. CLDI presented its first witness who was cross-examined. Next hearing will be on May 3, 2024 for presentation of 2nd witness. Judicial Affidavit of CLDI's second witness was filed on March 21, 2024 in compliance with the Court Order.

- **PROPERTY**

Aside from the mentioned cases, there were no cases filed wherein the Group's property/ies is/are the subject.

The legal proceedings mentioned are considered as "material" if compared to other proceedings involving the Group but not material when compared to the overall financial condition of the Group. Thus, the Group does not expect that the outcome of these legal proceedings will have a material adverse effect on the financial condition of the Group.

During the past five years up to present, there is no bankruptcy petition filed by or against any business of which such person was a general partner or executive officer of the Group either at a time of the bankruptcy or within two years prior to that time.

During the past five years up to present, the Group, any of its directors or executive officers has no conviction by final judgment, domestic or foreign, or is not subject to a pending criminal proceeding, domestic or foreign.

During the past five years up to present, the Group, any of its directors or executive officers is not subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

During the past five years up to present, the Group, any of its directors or executive officers has not been found by a domestic or foreign court of competent jurisdiction (in civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self- regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

6. Nominees for Election as Members of the Board of Directors for the ensuing term / year:

The following have been nominated to the Board of Directors for the ensuing term / year.

Dr. Andrew I. Liuson
Grace C. Liuson
Josef C. Gohoc
Helen C. Roxas
Benjamin I. Liuson
Peter S. Dee (Independent Director)
Bp.Eduardo C. Villanueva (Independent Director)
George Edwin SyCip (Independent Director)
Jefferson C. Roxas

The independent directors possess all qualifications to serve as an independent director of the Company, as provided for in Section 38 of Securities Regulation Code (SRC) and its implementing rules.

The final list of nominees for independent directors as nominated by respective stockholders of Cityland Development Corporation and endorsed by Nomination Committee are the following:

Independent Directors	Nominating Stockholders
George Edwin SyCip	Raquel Gal
Peter S. Dee	Rosalinda M. Catimpo
Eduardo C. Villanueva	Joel C. Gohoc

The respective stockholders who are not related to the said nominees nominated the aforementioned nominees.

The Corporate Governance Committee performs the role of the Nomination Committee. The following are the members of the Corporate Governance Committee:

Mr. George Edwin SyCip (Chairman)
Dr. Andrew I. Liuson
Bp. Eduardo C. Villanueva

SEC MC No. 19 s. 2016 – Code of Corporate Governance for Publicly-Listed Companies dated November 22, 2016 has recommended that an Independent Director (ID) can serve the Company for a maximum cumulative of nine (9) years. However, such independent director can still be retained as an ID as long as the Board can provide meritorious justifications for the re-election and subject to approval by the stockholders.

Mr. Peter Dee has served as an Independent Director of the Company since 2009. His in-depth knowledge, wisdom and expertise in various industries helped the Company plan and attain its strategic objectives. Further, his irrefutable competencies and experience provide invaluable contribution to the Company.

Mr. Dee has a wide experience in banking industry as he served as Director for more than 40 years in one of the largest banks in the Philippines. He is also a director of the said bank and other publicly-listed companies in the country. His exposure and mastery to risk and financial management delivers insight and significant assistance to the Company.

Further, the Board deems it untimely to consider other qualified individuals to replace Mr. Dee whose valuable insights and advice helped the Company develop its key business thrusts and risk mitigation strategies. His highly respected credentials and great contributions to the Company justify the Board's decision to retain Mr. Dee as a nominee for re-election this coming 2024 Annual Stockholders' Meeting.

7. Procedures for Nomination and Election of Independent Directors

a. The Corporate Governance Committee, prior to a stockholders' meeting, shall conduct nomination of independent directors. The nominating stockholders together with the acceptance and conformity by the would-be nominees shall sign all recommendations.

   The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

   After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of "Annex C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent directors shall be identified in such report including any relationship with the nominee.

   Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

b. Subject to pertinent existing laws, rule and regulations, the conduct of the election of the independent director shall be made in accordance with the standard election procedures of this By-Laws.

   It shall be the responsibility of the Chairman of the meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.

   Specific slot for the independent directors shall not be filled-up by unqualified nominee.

8. Related Party Transactions

The Registrant and its subsidiaries, in their regular conduct of business, have entered into transactions with its related parties principally consisting of advances, reimbursement of expenses and purchase and sale of real estate properties. These transactions to and from related parties are made at current market prices at the time of the transaction.

Prior to December 2021, the Company has an existing management contract with CI wherein the latter provides management services to the Company. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other party six months prior to expiration. Management fee is based on a certain percentage of net income as mutually agreed upon by both parties. Management fees for 2021 and 2020 were waived by CI. There are no conditions attached to the waiver of these management fees. In December 2021, the Company and CI amended its management agreement thereby terminating such contract.

In 2019, the Company entered into a Memorandum of Agreement with CI whereby the Company shall assign its parcel of land to CI in exchange of certain number of condominium units and parking slots in One Premier, a project that of CI. In 2021, additional units were allocated to the Company. In 2022, a Deed of Exchange relating to the exchange of properties was executed in line with the completion of the condominium project. CDC recognized an income from the exchange amounting to ₱155.56 million recorded under "Other income - net" in the consolidated statement of income.

The Company has an existing agreement with CI, CLDI and CPI whereby personnel costs and common recurring expenses such as water, electricity, rental, and other expenses for which the companies have benefited from such service shall be shared among the companies and billed with a pre-agreed mark-up rate. These are recorded as part of "Operating expenses" in the consolidated statements of income. The income recognized as a result of the mark-up charged is recorded as "Other income - net" in the consolidated statements of income These are unsecured, unguaranteed, non-interest bearing, and due within 30-60 days.

The Company or its related parties have no relationship on parties that fall outside the definition of related parties that enables to negotiate terms of material transactions that may not be available from others or independent parties on an arm's length basis. Moreover, the Company has no transactions with former senior management or persons that would result in negotiations of terms that are more or less favorable than those available on an arm's length basis from clearly independent parties that are material to the Company's financial position or financial performance.

Please refer to Note 25, *Related Party Transactions* of the Notes to 2023 Audited Consolidated Financial Statements that is incorporated in the Index to Financial Statements and Supplementary Schedules.

9. Parent Company of the Registrant:

Cityland, Inc. owns 50.98% of the outstanding capital stock of the Registrant.

VI. Compensation of Directors and Executive Officers

Executive Compensation Summary Table

Name	Position	2024 (estimate)
Josef C. Gohoc	President	x
Melita L. Tan	Vice President	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Jennifer L. Callos	Senior Manager	x
Atty. Albert Anthony Ocampo	Manager	x
Salaries		₱8,646,571
Bonus		2,222,393
Others		152,400
Total (Top 5)		**₱11,021,364**
Salaries		₱23,995,192
Bonus		6,268,006
Others		684,000
All officers & directors as a group unnamed		**₱30,947,198**
Grand Total		**₱41,968,562**

Name	Position	2023 (actual)
Josef C. Gohoc	President	x
Melita L. Tan	Vice President	x
Dorothy Uy So	Assistant Vice President-Internal Audit	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Jennifer L. Callos	Manager	x
Salaries		₱7,532,438
Bonus		1,896,879
Others		13,984,458
Total (Top 5)		**₱23,413,775**
Salaries		₱24,802,175
Bonus		6,490,681
Others		9,291,705
All officers & directors as a group unnamed		**₱40,584,561**
Grand Total		**₱63,998,336**

Name	Position	2022 (actual)
Josef C. Gohoc	President	x
Melita L. Tan	Vice President	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Dorothy U. So	Assistant Vice President – Audit	x
Atty. Albert Anthony Ocampo	Senior Assistant Manager	x
Salaries		₱7,519,478
Bonus		1,955,490
Others		6,607,090
Total (Top 5)		**₱16,082,058**
Salaries		₱21,121,105
Bonus		5,546,061
Others		8,621,832
All officers & directors as a group unnamed		**₱35,288,998**
Grand Total		**₱51,371,056**

The Group has no standard arrangements with regard to the remuneration of its directors. In 2023, 2022 and 2021, the Board of Directors received a total of ₱44.60 million, ₱23.68 million and ₱18.48 million, respectively, including a total per diem of approximately ₱1.45 million per annum (aggregate of CLDI and CDC) for the board meetings attended. Moreover, the Group has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received nor any other arrangement with employment contracts, compensatory plan and stock warrants or options offered to its employees.

VII. Independent Public Accountants

1. Sycip Gorres Velayo & Co. (SGV & Co.) is the Registrant's external auditor for the calendar year 2022. The same accounting firm is being recommended for re-election during the scheduled 2023 Annual Stockholders' Meeting.

2. Representatives of SGV & Co. are expected to be present at the Annual Stockholders' Meeting and will assist in responding to queries concerning the audited financial statements.

3. Pursuant to Revised SRC Rule 68 paragraph (3)(b)(ix) (Rotation of External Auditors), Mr. Manolito R. Elle, partner of SGV & Co., was assigned as signing partner for the Registrant's financial statements starting the calendar year 2023.

4. There were no changes in and disagreements with the accountants on accounting and financial disclosures

OTHER MATTERS

VIII. Action with Respect to Reports

The Minutes of the Annual Stockholders' Meeting held last June 6, 2023 will be read and submitted to the stockholders for their approval. The said Minutes show that the stockholders approved the following matters during the 2023 Annual Stockholders' Meeting:

Agenda Items:	Approving	Dissenting	Abstaining
Approval of Minutes of Previous Meeting	3,675,149,874 votes	--	--
Approval of President's Report	3,675,149,874 votes	--	--
Election of Directors (including Independent Directors): a. Dr. Andrew I. Liuson b. Mrs. Grace C. Liuson c. Mrs. Helen C. Roxas d. Mr. Benjamin I. Liuson e. Mr. Josef C. Gohoc f. Mr. Jefferson C. Roxas g. Mr. Peter S. Dee (ID) h. Mr. George Sycip (ID) i. Bp. Eduardo C. Villanueva (ID)	3,675,149,874 votes or 75.69% of the outstanding capital stock	--	--
Appointment of External Auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	3,675,149,874 votes or 75.69% of the outstanding capital stock	--	--
Confirmation of all acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022 adopted in the ordinary course of business.	3,675,149,874 votes or 75.69% of the outstanding capital stock	--	--
Approval of Board Resolution No. SM-21 dated April 24, 2023 re: declaration of two and a half percent (2.5%) stock dividends	3,675,149,874 votes or 75.69% of the outstanding capital stock	--	--

The minutes of ASM also contain the following items:

- A description of the voting and vote tabulation procedures used in the said meeting;
- A list of directors and officers who attended the meeting; and
- Other matters raised by the body during the meeting.

The copies of the minutes of ASM can be accessed through the Company website at www.cityland.net.

IX. Other Proposed Actions

1. Confirmation of all acts of the Board of Directors for the period covering January 1, 2023 to December 31, 2023 adopted in the ordinary course of business:

   a. Approval of investments;
   b. Treasury matters related to opening of accounts and bank transactions;
   c. Appointment of signatories and amendments thereof; and
   d. Approval of Annual report and related financial statements.

2. Appointment of the External Auditor
   The Audit and Risk Committee recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditor for the calendar year 2023. This shall be taken up during the Annual Stockholders' Meeting for the approval of the stockholders.

X. Voting Procedures

1. Vote Required for Approval or Election

   At least majority of the outstanding capital stock of the Registrant is required for the election of directors and for the approval of the following matters:

   a. Minutes of the previous Annual Stockholders' Meeting;
   b. Appointment of external auditor; and
   c. Acts of the management and of the Board of Directors relative to the Annual report and related financial statements.

2. Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting. In accordance with the Company's Amended By-Laws, voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita.

3. Stockholders who intend to attend and participate in the virtual meeting whether through proxy or not shall first submit via email to info@professionalstocktransfer.com the scanned copy of the letter of intent to attend or to participate via proxy by remote communication. Once validated, a registered stockholder who will attend through proxy will receive via email the proxy form.

   Validation of proxies shall be until 4:00PM of May 30, 2023. Registered stockholders will receive the meeting link and password two days before the ASM.

   Stockholders who signified their intention to attend the ASM in person will receive a copy of the Voting Form which the stockholder is required to accomplish and submit such via email to stocks@cityland.net on or before May 30, 2023 at 4:00PM. Only stockholders who have notified the Company of their intention to participate in the virtual meeting and have registered themselves or their proxies, will be included in the determination of a quorum.

3. The Company's Stock Transfer Agent together with the Office of the Corporate Secretary will tabulate all valid and confirmed votes. The Company also has an independent party that will validate the votes counted by the Secretary.

4. Other matters which may stockholders would like to present in the ASM shall be sent via email to stocks@cityland.net on or before May 30, 2023 at 4:00PM. The Company's response to the questions shall be discussed during the ASM.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on April 26, 2024.

CITYLAND DEVELOPMENT CORPORATION

JOSEF C. GOHOC
President

CITYLAND DEVELOPMENT CORPORATION
THE PRESIDENT'S REPORT

The real estate industry in the Philippines has proven to be resilient and a significant contributor to the country's economy. This is due to various factors such as strong demand for both residential and commercial properties, government policies, infrastructure projects, increasing overseas Filipino workers' remittances, and favorable economic conditions.

In 2023, the real estate sector experienced notable growth, driven by economic growth and an increase in property demand and prices, especially for high-end and affordable housing. This growth is attributed to the growing middle class and the influx of foreign professionals and overseas Filipino workers. The government's efforts to improve policies, including tax policies to achieve affordable real estate properties, also contributed to the growth of the industry.

The Cityland Group's ongoing projects are located in Metro Manila, where there is a high demand for vertical developments like condominium projects due to its dense population. The "Build Build Build" program, which aims to improve the country's transportation and logistics infrastructure, has also provided more opportunities for real estate developers. Ongoing infrastructure projects, such as the development of the Metro Manila subway, new highways, and airport expansions, facilitate improved connectivity and accessibility, thereby rendering certain areas more appealing for real estate development and investment opportunities. These projects serve as catalysts for economic growth and urban development, providing seamless connectivity to various locations, and creating new job opportunities and business expansions.

The Philippines' full-year gross domestic product (GDP) growth rate in 2023 was 5.6%, outpacing major economies in Asia such as China, Vietnam, and Malaysia. Despite an elevated inflation rate and external challenges, there was also a stronger domestic demand noted in 2023. According to the Department of Finance Secretary, Ralph G. Recto, "The strong economic performance in 2023 is a clear testament to the government's efforts in creating an environment conducive to enhancing the purchasing power of Filipinos. We are firm in our commitment to ensure that our economic progress is felt in the day-to-day lives of our people." (Source: https://www.dof.gov.ph/phs-full-year-2023-gdp-growth-strongest-among-major-asian-economies/)

Overall, the Philippine real estate industry has shown significant growth and is expected to continue in the subsequent years. The Cityland Group of Companies will continue to monitor the demand in housing projects and implement strategies to cope with changes in the environment and an increase in demand.

GENERAL NATURE OF BUSINESS

A. Background Information

1. Brief Company History

Cityland Development Corporation (the Company or CDC) is a domestic publicly listed corporation which is duly organized and existing under and by virtue of the laws of the Philippines since January 31, 1978 with the primary purpose of engaging in real estate development. The Company is 50.98%-owned by Cityland, Inc. (CI), the ultimate parent company incorporated in the Philippines, which also prepares consolidated financial statements.

2. Listing in Stock Exchange

On August 2, 1983, the PSE approved the listing of the Parent Company's common shares.

3. Subsidiaries

The following are the subsidiaries of the Company:

a. City & Land Developers, Incorporated (CLDI): a domestic publicly listed corporation and a real estate company incorporated under the laws of the Philippines and registered with the Securities and Exchange Commission (SEC) on June 28, 1988. It is 49.73%-owned by CDC.

b. Cityplans, Incorporated (CPI): a pre-need company incorporated under the laws of Philippines and registered with the SEC on October 27, 1988. It is 90.81%-owned by CDC.

4. Nature of Operations

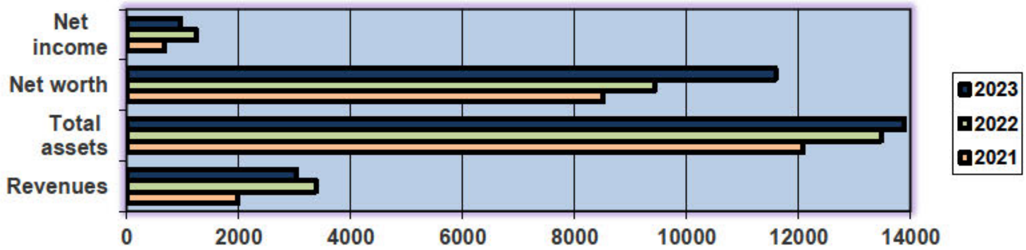
The primary purpose of CDC and its subsidiaries (the Group) is to acquire and develop suitable land sites for residential, office, commercial, institutional, and industrial uses.

CPI is engaged in the business of establishing, organizing, developing, maintaining, conducting, operating, marketing and selling pension plans. CPI ceased from selling pension plans since February 2007 and is currently engaged in the settlement of the outstanding pension plans. Its secondary purpose is to own or otherwise acquire by deed, purchase or otherwise, the necessary property, building and equipment essential or incidental to said business and to purchase, own, hold, possess, lease, or otherwise acquire, and to use, operate, maintain, sell, pledge, mortgage, transfer or assign any real or personal property in the furtherance of the business and purpose of CPI.

The Group's projects include medium to high-rise office, commercial, and residential condominiums located in cities of Metro Manila such as Makati, Mandaluyong, Manila, Pasig and Quezon City; and residential subdivisions and farmlots in Parañaque, Bulacan and Cavite.

FINANCIAL HIGHLIGHTS

	In Millions of Pesos		
	2023	2022	2021
Consolidated Net Income	**964.24**	**1,238.22**	**673.15**
Consolidated Net Worth	**11,590.12**	**9,427.76**	**8,503.75**
Consolidated Total Assets	**13,887.65**	**13,477.94**	**12,092.69**
Consolidated Revenues	**3,037.15**	**3,385.79**	**1,978.14**



5. Project Description

The following are the future, ongoing and completed projects of the Group:

CDC

<u>Ongoing Project:</u>

City North Tower

City North Tower is a proposed 50-storey mixed residential, office and commercial Condominium project with three (3) basement parking and four (4) podium parking levels to be located at No. 35 North Avenue Barangay Bagong Pag-asa Quezon City (QC). It is walking distance to QC's biggest malls – SM City North EDSA and Trinoma. This project was launched in February 2024 and is expected to be completed in February 2028.

<u>Future Project:</u>

Pioneer Heights 2

Pioneer Heights 2 is an office, residential and commercial condominium to be located at Reliance St., Barangay Highway Hills, Mandaluyong City.

Completed Projects:

Buildings for Lease

- *CityNet Central*

  CityNet Central is a 22-storey commercial and Philippine Economic Zone Authority (PEZA)-registered building located in central business district along Sultan Street, Brgy. Highway Hills, Mandaluyong City with its proximity to MRT station and various transportation hubs.

- *CityNet1*

  CityNet1 is a 5-storey premiere business technology hub located along 183 EDSA, Brgy. Wack-Wack, Mandaluyong City. The said building for lease is also registered with PEZA.

Pioneer Heights 1

Pioneer Heights 1 is a 24-storey office, commercial and residential condominium located at Pioneer St., Barangay Highway Hills, Mandaluyong City. Its amenities include swimming pool, children's playground, multi-purpose function room, laundry room, information area, administration room and 24-hour association security. The said project was completed in December 2023.

101 Xavierville

101 Xavierville is a high-rise, mixed-use condominium building with residential units from 8th-42nd floor and commercial units at ground floor located along Xavierville Avenue, Loyola Heights, Quezon City. The project is easily accessible to various schools such as Ateneo de Manila University, University of the Philippines and Miriam College; recreational parks and leisure places. The said project was completed in December 2023.

Pines Peak Tower I

Pines Peak Tower I is a 27-storey residential condominium located at Union corner Pines St., Barangka, City of Mandaluyong. Its amenities include swimming pool, viewing deck, multi-purpose function room with movable children play set, gym and 24-hour association security.

Pines Peak Tower II

Pines Peak Tower II is a 27-storey residential condominium conceptualized for the fast-paced Filipino family. It is beside Pines Peak Tower I along Pines St., Brgy. Barangka Ilaya, Mandaluyong City. It is only a block away from the major thoroughfare of EDSA, near Shaw Boulevard, Pioneer and MRT Boni Station. The project is easily accessible to various commercial centers like Shangri-La Mall, Star Mall, Robinson's Place Pioneer, SM Megamall, The Podium, Metrowalk and schools like Lourdes School of Mandaluyong, St. Paul College and University of Asia and the Pacific. This project was completed in May 2019.

Grand Central Residences

Grand Central Residences is a 40-storey office, commercial and residential condominium located at EDSA corner Sultan St., (fronting MRT Shaw), Mandaluyong City. It is in close proximity to schools, churches, malls and hospitals. It is equipped with swimming pool, multi-purpose function room, gym, multi-purpose deck, CCTV and 24-hour association security.

Makati Executive Tower IV

Makati Executive Tower IV is a 29-storey commercial and residential condominium located at Cityland Square, Sen. Gil Puyat Ave., cor. P. Medina St., Makati City. It is in close proximity to schools, malls, hypermarkets and hospitals. Its amenities include swimming pool, gym, playground, function room, roof deck and 24-hour association security.

Mandaluyong Executive Mansion III

Mandaluyong Executive Mansion III is a 7-storey commercial and residential condominium located at G. Enriquez St., Brgy. Vergara, Mandaluyong City. It is in close proximity to schools, malls, churches and hospitals. Its amenities include playground, swimming pool, basketball court and 24-hour association security.

Makati Executive Tower III

Makati Executive Tower III is a 37-storey commercial, office, and residential condominium located at Cityland Square, Sen. Gil Puyat Avenue, Pio Del Pilar, Makati City. Its amenities include swimming pool, sauna, viewing deck, jogging area, mini-gym, children's playground, function room and 24-hour association security.

Manila Executive Regency

Manila Executive Regency is a 39-storey office, commercial and residential condominium situated along J. Bocobo St. Ermita. This property has a close proximity to churches, malls, parks, party places, historical places, government institutions, and commercial establishments. Its amenities and facilities include swimming pool, gym, spa, function room, children's playground and Manila Bay viewing deck.

Makati Executive Tower II

Makati Executive Tower II is a 35-storey residential condominium located in Dela Rosa St., corner Medina St., Makati City. It offers a great location being few steps away from shopping centers, hotels, banks, hospitals, churches and major thoroughfares. Also, its proximity to LRT and MRT gives easy access to transportation.

CLDI

Ongoing Project:

One Hidalgo

One Hidalgo is a proposed 39-storey mixed residential, office and commercial condominium to be located at 1730 P. Hidalgo Lim St., corner Gen. Malvar St., Malate, Manila. It is near to various universities (De La Salle University, University of the Philippines – Manila, Philippine Christian University), government agencies (Supreme Court, Court of Appeals, Department of Justice) and other leisure establishments.

The said project was launched in February 2023 and expected to be completed in September 2027.

Future Project:

Bonifacio Place

Bonifacio Place is a proposed 40-storey mixed residential, office and commercial condominium project with a four (4) basement parking levels and a separate 6-storey parking building to be located at Boni Avenue, Barangay Barangka Itaas, Mandaluyong City. It is about 450 meters away from the EDSA MRT Boni Station.

Completed Projects:

One Taft Residences

One Taft Residences is a 40-storey mixed residential, office and commercial condominium which is located at 1939 Taft Avenue, Malate, Manila. It is with easy access to various universities (De La Salle University, University of the Philippines – Manila, Philippine Christian University), transportation hubs, shopping centers, businesses, commercial and government offices. This project was completed in May 2022.

North Residences

This 29-storey commercial and residential condominium is located along EDSA (beside WalterMart) corner Lanutan, Brgy. Veterans Village, Quezon City. It is conceptualized for the practical modern families to enjoy suburban city living that is budget-friendly. The project was turned over in March 2018.

Manila Residences Bocobo

Manila Residences Bocobo is a 34-storey commercial, office and residential condominium located along Jorge Bocobo St., Ermita, Manila City. Its amenities and facilities include swimming pool, children's play area, gym, multi-purpose deck, function room and 24-hour association security. It is proximate to schools, malls, banks, hospitals, restaurants, churches, government offices and other leisure establishments.

Grand Emerald Tower

Grand Emerald Tower is a 39-storey commercial, office and residential condominium located along Emerald Avenue corner Ruby and Garnet Streets, Ortigas Center, Pasig City. Its amenities and facilities include swimming pool, gymnasium, viewing deck, sauna, children's playground, multi-purpose function room, and 24-hour association security. It is proximate to schools, hospitals, shopping malls, banks, restaurants, hotels, churches and other leisure and business establishments.

Pacific Regency

Pacific Regency is a 38-storey commercial, office, and residential condominium located at Pablo Ocampo Sr. Ave. (formerly Vito Cruz Street) in front of Rizal Memorial Sports Complex in Manila. Amenities and facilities include swimming pool, gymnasium, separate sauna for male and female, function room, children's playground, 24-hour association security, viewing area and jogging areas at the roof deck.

CPI

Windsor Mansion

Windsor Mansion is an 8-storey commercial and residential condominium located along Evangelista St., New Santolan, Pasig City. Amenities and facilities include 2 elevators, administrative office, visitors' lounge, provision for cable TV and telephone line, individual water sub meter / Meralco meter and 24-hour association security. This project was also developed together with Cityland, Inc (CI).

Oxford Mansion

Oxford Mansion is an 8-storey commercial and residential condominium located along Evangelista St., New Santolan, Pasig City. Amenities and facilities include 2 elevators, administrative office, visitor's lounge, provision for cable TV and telephone line, individual water sub meter / Meralco meter and 24-hour association security. This project was also developed together with CI.

Pasig Royale Mansion

Pasig Royale Mansion is an 8-storey mid-rise condominium located at Evangelista St., New Santolan, Pasig City. Amenities and facilities include a swimming pool, a function room, a viewing area and a visitor's lounge. This project was also developed together with CI.

6. Major Risks Involved in Each of the Business of the Company

The risks to which the Group is exposed include the internal risks such as refinancing risk, credit risk, interest rate risk, market risk and liquidity risk; business risks and operational risks; and external ones arising from political and economic situation, real estate industry outlook and market competition.

INTERNAL FACTORS

Refinancing

The Group is primarily engaged in real estate development. Risk factor includes minimal risk debt level of the Group's borrowings. The short-term nature of these borrowings increases the possibility of refinancing risks. This debt mix in favor of short-term borrowings is a strategy which the Group adopted to take advantage of lower cost of money for short-term loans versus long-term loans. Because the Group has the flexibility to convert its short-term loans to a long-term position by drawing down its credit lines with several banks or sell its receivables, refinancing risk is greatly reduced.

The Group manages such refinancing risks by monitoring its current and acid-test ratio. The said ratios affecting the Company are disclosed in Schedule IV, *Supplementary Schedule of Financial Soundness Indicators,* attached to the Audited Annual Consolidated Financial Statements.

Credit Risk

This is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instruments, which may be the subject of credit risk, are the installment contracts receivable, contract assets and other financial assets of the Group. The corresponding management strategies for the aforementioned risks are as follows:

a. The credit risk on the installment contracts receivables and contract assets may arise from the buyers who may default on the payment of their amortizations. The Group manages this risk by dealing only with recognized and credit worthy third parties. Moreover, it is the Group's policy to subject customers who buy on financing to credit verification procedures. Also, receivable balances are monitored on an on-going basis which resulted to an insignificant exposure to bad debts. The risk is further mitigated because the Group holds the title to the real estate properties with outstanding installment contracts receivable balance and the Group can repossesses such property upon default of payment by the customer. The Group policy is to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk within the Group

b. The credit risk on the financial assets of the Group such as cash and cash equivalents, short-term investments, financial assets at fair value through other comprehensive income (FVOCI), refundable deposits and other receivables may arise from default of the counterparty. The Group manages such risks in accordance to its policy wherein the Group shall enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risks. As such, there are no significant concentrations of credit risks in the Group.

Interest Rate Risk

This is the risk arising from uncertain future interest rates.

The Group's financial instruments consist of:

a. The Group's financial assets mainly consist of installment contract receivables, contract assets, notes receivable, cash and cash equivalents, short-term and long-term investments, guaranty deposits, refundable deposits and other receivables. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates.
b. For the financial liabilities, the Group only has commercial papers which bear fixed interest rates, thus, are not exposed to fluctuations in interest rates.

Market Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments which are measured at fair value are subject to market risk.

The financial assets at FVOCI are exposed to market risk. There is a risk for a decline in the value due to changes in the market. The Group performs detailed assessment and review prior to investing and purchasing shares of stock.

Liquidity Risk This is the current and prospective risk to earnings or capital from the Group's inability to meet its obligations when they become due without incurring unacceptable losses. The Group's treasury has a well-monitored funding and settlement management plan. The following is the liquidity risk management framework maintained by the Group:

a. *Asset-Liability Management:* Funding sources are substantially from short-term borrowings. Funding sources are abundant and provide a competitive cost advantage. The Group also holds financial assets for which there is a liquid market and are, therefore, readily saleable to meet liquidity needs.

b. *Conservative/Liability Structure:* Funding is widely diversified. There is little reliance on wholesale funding services or other credit sensitive fund providers. The Group accesses funding across a diverse range of markets and counter parties.

c. *Excess Liquidity:* The Group maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations.

d. *Funding Flexibility:* The Group has an objective to maintain a balance between continuity of funding and flexibility through the use of commercial papers.

As such, the Group addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and established record in accessing these markets.

Overall, the Company adopts to the changing environment by being flexible and open to new opportunities to improve its financial status.

The Group is also exposed to risks which are beyond financial as follows:

GROUP'S BUSINESS AND OPERATIONS

Land Banking The Group's land banking consists of parcels of land wherein some lots are being leased while awaiting the development of the Group's condominium projects. Having enough and diversified land banking is important to support the sustainability of the Group's business. The Group may be exposed to risks because of the possible changes in the value of these lots due to market circumstances which may result in impairment or decline in rental rate levels.

The Group currently has prime lots for future development and/or investment properties which are located in the different areas of Metro Manila and Cavite. The management also is in continuous study and research on the possible land acquisition which will depend on the need of the Group and negotiations with prospective sellers. For the land value changes and decline, the Group continues to be cautious in buying new properties by conducting studies on appraisal and conditions of the property within the vicinity.

Property development and construction Construction of a condominium project starts from the planning and securing of permits, to the development or construction of the project and to the delivery or turnover of the units to the buyers. The construction of a project involves an average period of three to five years to complete the building. During this period, the Group may be exposed to the following risks:

- delays or longer than expected time of securing necessary licenses, permits and approvals from different government agencies or neighborhood;

- possible increase in the cost of materials and labor which will impact pricing and costing;
- labor disputes among and with the contractors and sub-contractors; and
- delay in the delivery of the project.

These risks are managed by the Group as follows:

- well-planned and carefully-phased project development with a reasonable timetable;
- concrete sources of financing of the project;
- accreditation and careful selection of general contractors and sub-contractors to ensure fulfillment and quality of work; and
- continuous and meticulous management of the Group's project development team to ensure that the project is progressing and being accomplished according to plan.

ECONOMIC FACTORS

Economic The Group's business consists mainly of providing office and housing units in the Philippines and the results of the operations will be influenced by the general conditions of the Philippine economy. Any economic instability or failure to register improved economic performance in the future may adversely affect the Group's operations and eventually its financial performance.

Effect of climate change

It cannot be denied that the country is already experiencing the impact of climate change which is considered as a global problem which needs to be addressed by all countries.

Climate change has greatly affected the operations of the businesses, both private and local. Due to climate change, the supply or resources may decline which will lead to increase in cost. Thus, businesses should consider measures to cope with the impact of environmental changes. In addition, businesses should ensure compliance to the rules and regulations imposed by the environmental authorities.

Cityland Group has invested considerable effort in the development of programming approaches that integrate disaster risk management with long-term programs that have the objective of addressing the underlying causes of vulnerability. This means developing and applying various prevention, mitigation and preparedness policies, strategies and practices to minimize vulnerabilities and disaster risks. The Group firmly believes that emergency preparedness planning is a critical component for all development programming and is a necessary ingredient not only for effective emergency response but also for effective risk prevention, mitigation and preparedness before a disaster occurs. For the Group, emergency preparedness encompasses all aspects of disaster risk management – from addressing underlying causes to responding in times of emergencies. First and foremost, preparedness must focus on prevention and mitigation – taking pre-emptive measures to help communities avoid emergencies and become better equipped so that the impacts of disasters are reduced. As one of the criteria set by the Group in acquisition of property, the Group considers whether the location of the prospective property is within the fault line and whether the area is prone to flooding. In this case, the Group minimizes the risk of incurring any additional costs/damages in the future.

Further, the Group has adopted controls to ensure its compliance with the environmental laws including but not limited to the following:

- Adherence to the standards/requirements set by the regulatory agencies governing the real estate industry;
- Appointment of Pollution Control Officers in all condominium projects;
- Active participation with the government's requirements to real estate developers (e.g. socialized housing, tree planting, etc.); and

- Avoiding hazards and mitigating their potential impacts by reducing vulnerabilities and exposure and enhancing capacities of communities.

Effect of COVID-19 pandemic

The Philippine real estate industry showed resurgence in 2023 despite the challenges brought about by COVID-19 pandemic in the previous years. Throughout the year, the real estate sector proved to be resilient, providing significant contributions to the country's economic growth. One of the key factors that drove the industry's success was the demand for housing.

The Philippine real estate industry has shown significant growth and is expected to continue in the subsequent years. The Company will continue to monitor the demand in housing projects and implement strategies to cope with the changes in the environment and increase in demand.

Political

The Group's business, like all other businesses, may be influenced by the political situation in the country. Any political instability in the future could have a material adverse effect in the Group's business.

The ongoing conflicts of different countries sets several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others.

As of December 31, 2023, the Group believes that the current political situation of Russia-Ukraine and Israel-Palestine will not have an adverse effect in the Group's business operations. Further, the Group has no significant sales transactions to the Philippine government that would result to a significant effect to the Company's revenue/income. Further, the Group has no exposure to investments in the said countries. Supplies and materials need for the construction of the project undergo a detailed negotiation process to achieve the best products with a reasonable cost.

Industry

The industry is characterized by boom-bust cyclical pattern exhibited in the past couple of decades where the industry normally goes through years of robust growth following years of slowdown. In 2021, the Group is slowly recovering from the effect of COVID-19 pandemic. While in 2022, business activities are already going back to normal and that the Philippine economy is seen to recover. This is due to the united effort of the government, businesses, and the people.

The Group has adopted business continuity plans and strategies to mitigate the risks and effect of the pandemic.

Competition

The demand for housing especially in the medium-cost category has moderately stepped up. The situation has attracted both old and new players to develop projects that cater to the increase in demand. As a result of the foregoing, competition in the area of medium-cost development is expected to intensify. The Group believes that it is in a better position to cope with the competition because of the affordability of the projects it offers in the market.

Cityland Group's major competitors include SM Development Corporation, Vista Land Corporation, Empire East, Avida Land Corporation, New San Jose Builders, Torre Lorenzo Development Corporation and DMCI.

7. Management's Discussion and Analysis or Plan of Operation

Financial Performance

The Group is pre-selling the units of One Hidalgo, a project of CLDI, which is expected to be completed in 2027.

The Group is selling the following newly completed projects as of December 31, 2023:

- Pioneer Heights 1 (a project of CDC)
- 101 Xavierville (a project of CDC)

Also, the Group is selling the remaining units of the following completed and operational projects:

Cityland Development Corporation

- Pines Peak Tower II
- Pines Peak Tower I
- One Premier *(a project of CI in which some condominium units and parking slots were assigned to CDC)*
- Grand Central Residences
- Makati Executive Tower IV

City & Land Developers, Incorporated

- One Taft Residences
- North Residences
- The Pacific Regency
- Grand Emerald Tower

The Group has also a number of prime lots reserved for future projects. Its land bank is situated in strategic locations ideal for horizontal and vertical developments.

Internal sources of liquidity come from sales of condominiums and real estate projects, rental income from leased properties, collection of installment receivables and contract assets, maturing short-term and long-term investments and notes receivable while external sources come from proceeds of issuance of SEC-registered commercial papers.

Plan of Operations

The Group will continue to maintain a cautious stance in order to continuously achieve a healthy financial position. This will ensure that the development and construction of all its ongoing projects will be delivered on time or even ahead of its scheduled turnover. The Group will also continue to scout and develop quality projects suited for the middle and working class which will be situated at convenient locations with affordable and flexible payment terms. The Group's projects will be funded through cash generated from operations and issuance of commercial papers. The Group plans to remain liquid in order to avail attractive investment opportunities to meet the demands of the present growing economy.

Financial Condition (2023 vs. 2022)

The Group's financial position for the year ended December 31, 2023 showed an increase in total assets amounting to ₱409.71 million equivalents to 3.04%. Total assets for the year ended December 31, 2023 remained at ₱13,887.65 million compared to ₱13,477.95 million as of December 31, 2022.

The increase in assets can be attributed to the increase in sales brought about by the economic recovery and collection of receivables during the year. Further, the completion of CDC's project Pioneer Heights 1 and 101 Xavierville contributed the most to the increase in total sales as the revenue of the Group is based on percentage of completion.

Contract assets also decreased due to collection of receivable during the year. As of December 31, 2023, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱685.89 million and ₱1.13 billion, respectively.

On the liabilities side, total liabilities amounted to ₱2,297.52 million, slightly lower by 12.83% than last year's amount of ₱2,635.58 million. The increase in the account was attributed to the following:

- Increase in notes and contracts payable;
- Increase in income tax payable and deferred income tax liabilities;
- Increase in retirement benefits liability.

The launching of One Hidalgo resulted to the recognition of contract liabilities brought about by sales wherein the percentage of collection was higher than the actual percentage of completion of the project.

Total equity stood at ₱ 11,590.12 million as of December 31, 2023, higher by 6.90% compared with the 2022 year-end balance of ₱10,842.37 million. The increase was due to the net income recognized for the year 2023.

As a result of the foregoing, the Company translated to a current and acid test ratio of 5.13:1 and 2.25:1, respectively as of December 31, 2023, as compared to 3.70:1 and 1.57:1, respectively as of December 31, 2022. Asset-to-liability and debt-to-equity registered at 6.04:1 and 0.12:1 as of December 31, 2023 from December 31, 2022 ratios of 5.11:1 and 0.12:1, respectively.

Financial Condition (2022 vs. 2021)

The Group's financial position for the year ended December 31, 2022 showed an increase in total assets amounting to ₱1.39 billion equivalent to 11.46%. Total assets for the year ended December 31, 2022 remained at ₱13.48 billion compared to ₱12.09 billion as of December 31, 2021.

The increase in assets can be attributed to the increase in sales brought about by the economic recovery and collection of receivables during the year. Further, the completion of CLDI's project - One Taft Residences contributed to the increase in total sales as the revenue of the Group is based on percentage of completion. The progress in the construction phase of the Group's ongoing projects which are the Pioneer Heights 1 and the 101 Xavierville also contributed to the increase in sales. The increase in sales also allowed the Group to launch a new project (One Hidalgo) in February 2023.

Contract assets also increased due to the completion of One Taft Residences and increase in the percentage of completion of the ongoing projects. As of December 31, 2022, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱1,106.54 million and ₱668.70 million, respectively.

On the liabilities side, total liabilities resulted to ₱2.64 billion, slightly higher by 11.66% than last year's amount of ₱2.36 billion. The increase in the account was attributed to the following:

- Increase in notes and contracts payable;
- Continuous construction of the ongoing projects which increased the accounts payable and accrued expenses; and
- Increase in sales resulted to increase in income tax payable and deferred income tax liabilities.

Total equity stood at ₱10.84 billion as of December 31, 2022, higher by 11.41% compared with the 2021 year-end balance of ₱9.73 billion. The increase was due to the total comprehensive income recognized in 2022 amounting to ₱1.24 billion less cash dividends declared during the year.

As a result of the foregoing, the Company translated to a current and acid test ratio of 3.70:1 and 1.57:1, respectively as of December 31, 2022, as compared to 3.84:1 and 1.79:1, respectively as of December 31, 2021. Asset-to-liability and debt-to-equity registered at 5.11:1 and 0.12:1 as of December 31, 2022 from December 31, 2021 ratios of 5.12:1 and 0.11:1, respectively.

Financial Condition (2021 vs. 2020)

The Group's balance sheet remained solid with total assets of ₱12.09 billion, 5.08% higher as compared to the 2020 year-end balance of ₱11.51 billion. The increase in assets can be attributed to sales and collections from clients, which resulted to increase in investments. Funds were generated from sales and lease of condominium units and other real estate projects, while other financial sources came from the issuance of commercial papers with interest rates ranging from 0.56% to 1.13% and 0.69% to 1.25% in 2021 and 2020, respectively. Majority of the funds were utilized for operations and to finance the Group's construction of ongoing projects resulting to the increase in real estate properties for sale. Moreover, the cash position allowed CDC to declare cash dividends amounting to ₱98.03 million, while the subsidiary, CLDI was able to declare cash dividends amounting to ₱10.02 million. The Group's liquidity position remained stable as cash and cash equivalents and short-term investments stood at ₱0.73 billion and ₱1.38 billion, respectively as of December 31, 2021. Excess funds were placed in both short and long term investments contributing to the increase in financial income.

On the liability side, total liabilities increased by ₱8.10 million or 0.34%, primarily due to higher accounts payable and accrued expenses brought by the increase in the development costs as some of the Group's ongoing projects are nearing its completion already. Further, the increase can also be attributed to the increase in income tax payable resulting from higher income for 2021 and deferred income tax liabilities. The increase was partially offset by the settlement of matured notes and contract payable amounting to ₱132.17 million and net decrease in contract liabilities by ₱88.31 million and increase in deferred tax liabilities-net by ₱48.98 million.

Total equity stood at ₱9.73 billion as of December 31, 2021, higher by 6.29% from ₱9.16 billion as of December 31, 2020, due to comprehensive income of ₱680.74 million net of cash dividends declared and paid by the Group amounting to ₱108.05 million.

As a result of the foregoing, the Group's liquidity position remained stable with acid-test and current ratio of 1.79:1 and 3.84:1 as of December 31, 2021, as compared to 1.83:1 and 3.70:1 as of December 31, 2020, respectively. On the other hand, debt to equity ratio slightly improved to 0.11:1 as of December 31, 2021, as compared to 0.13:1 in December 31, 2020.

Results of Operation (2023 vs. 2022)

The Group sales of real estate properties decreased by 14.81% as of December 31, 2023 reaching ₱2,177.86 million from the previous year's ₱2,556.34 million. The decrease was driven by the decline in sales in high rise condominiums and parking slots. Hence, the decrease in the total revenue and income is significantly due to the decrease in sales of real estate properties.

Moreover, sales of real estate properties of CLDI reached ₱358.66 million as compared to the same period last year ₱1,058.42 million. Majority of the sales in 2023 was generated from the Pioneer Heights 1 and 101 Xavierville which contributed ₱870.89 million and ₱852.52 million while One Taft Residences accounted for ₱268. 61 million of total sales.

Other sources of income pertain to financial income, rental income and other income. Financial income which is composed of interest income from sale of real estate properties, cash in banks, cash equivalents, short-term and long-term investments, notes receivable and guaranty deposits and dividend income showed an increase of 31.97%.

Rental income posted an increase by ₱31.20 million or equivalent to 16.55% due to additional units leased out and new lease contracts entered during the year. Net other income pertains to gain or loss arising from revaluation of repossessed units at fair market value less cost to sell, penalties for buyers' late payments, sale of scraps, income as a result of mark-up on shared expenses, and net gains or losses on forfeiture/cancellation of sales. This account significantly increased during the year due to the exchange of properties whereby CDC entered into a Memorandum of Agreement with its parent company, CI.

On the cost side, cost of real estate sales, operating expenses and financial expenses increased due to the completion of 101 Xavierville and Pioneer Heights 1.

All in all, the Company recorded a consolidated income of ₱964.24 million in 2023, lower by 22.13% as compared to last year's generated net income of ₱1,238.22 million. Earnings per share and return on equity resulted in ₱0.18 and 8.68%, respectively in 2023 as compared to the previous year of ₱0.21 and 10.93%, respectively in 2022.

Results of Operation (2022 vs. 2021)

Total consolidated revenue and income for the year 2022 resulted to ₱3.39 billion as compared to ₱1.98 billion for the year 2021. The increase in the total revenue and income is significantly due to the increase in sales from real estate properties reaching ₱2.56 billion in 2022 as compared to ₱1.29 billion in 2021.

In May 2022, CLDI completed One Taft Residences which resulted to the following: Increase in sale of condominium units and parking slots; and increase in revenue recognized as the Group's accounting policy in revenue recognition is based on percentage of completion.

Further, the increase in the percentage of completion of the ongoing projects also boosted the Group's sales reaching an increase in sales by 97.90%. In order to cope with the current trend in the real estate industry, the Group offered to customers the "installment down payment" scheme starting 2020 wherein certain projects were offered with 21 months to pay the corresponding down payment. The new scheme introduced by the Group resulted to sales with percentage of collection lower than 10%. The Group records these collections as "Rental and customers' deposits" under "Accounts Payable and Accrued Expenses" account in the consolidated statements of financial position.

Other sources of income pertain to financial income, rental income and other income. Financial income which is composed of interest income from sale of real estate properties, cash in banks, cash equivalents, short-term and long-term investments, notes receivable and guaranty deposits and dividend income showed a slight increase of 0.60%.

Rental income posted an increase by ₱4.84 million or equivalent to 2.63% due to additional units leased out and new lease contracts entered during the year. Net other income pertains to gain or loss arising from revaluation of repossessed units at fair market value less cost to sell, penalties for buyers' late payments, sale of scraps, income as a result of mark-up on shared expenses, and net gains or losses on forfeiture/cancellation of sales. This account significantly increased during the year due to the exchange of properties whereby CDC entered into a Memorandum of Agreement with its parent company, CI. The exchange of properties resulted to a gain on exchange in the books of CDC amounting to ₱155.56 million.

On the cost side, cost of real estate sales, operating expenses and financial expenses increased due to higher sales.

As a result of the foregoing, the Company recorded a net income of ₱1,238.22 million, higher by 83.95% as compared to last year's generated net income of ₱673.15 million. Earnings per share and return on equity resulted to ₱0.21 and 10.93%, respectively in 2022 as compared to the previous year of ₱0.12 and 6.88%, respectively.

Results of Operation (2021 vs. 2020)

The Group's sale of real estate properties increased by 36.82% as of December 31, 2021 reaching ₱1.29 billion from the previous year's ₱0.94 billion. The increase in sales was attributed to the recovery of the economy, loosening of quarantine restrictions and increase in the percentage of completion of the Group's ongoing projects. Total sales of the Group was substantially generated from CDC, reaching ₱723.69 million or 56.02% of the Group's sales. The Group has been applying the POC in sales and revenue recognition and therefore, aside from the current year sales, additional revenue from sales in prior years were also recognized. Consequently, Pioneer Heights I generated the highest sales revenue amounting to ₱449.94 million.

Moreover, the subsidiaries, CLDI and CPI recorded 44.94% and 0.43% of total revenue on sales of real estate, respectively. Sales of real estate properties of CLDI reached ₱580.53 million as compared to the same period last year of ₱253.55 million. Majority of CLDI's sales in 2021 was generated from One Taft Residences which contributed ₱545.84 million, while North Residences accounted for ₱34.61 million of total sales.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from installment contracts receivable, contract assets, cash and cash equivalents, short-term and long-term investments, notes receivable and guaranty deposit contributed 19.26% of total revenues. Likewise, rental income from lease operations of buildings and properties contributed 9.29% and declined by 3.07% due to pre-terminated lease contracts in 2021 and rent concessions granted to tenants. Other revenue, on the other hand, pertains to gain or loss arising from revaluation of repossessed units at fair market value less cost to sell, trust fund income, penalties for buyers' late payments, sale of scraps, gain on sale of shares of stock and net gains or losses on forfeiture/cancellation of sales which contributed 6.15% of total revenues.

On the cost side, cost of real estate sales and operating expenses increased as these move in tandem with sales which accounted for ₱648.94 million and ₱490.79 million, respectively as of December 31, 2021. Further, the Group's financial expenses decreased due to lower finance charges and interest expense on lease liabilities.

Altogether, the Group posted a consolidated net income of ₱673.15 million in 2021, 24.01% higher than the previous year's net income of ₱542.82 million. This translated into higher earnings per share and return on equity of ₱0.12 and 6.88% as compared to the same period last year of ₱0.10 and 6.11%, respectively.

Key Performance Indicators (2023 vs 2022 vs 2021)

Cityland Development Corporation (Consolidated)	**2023**	**2022**	**2021**
Earnings per share*	₱0.18	₱0.21	₱0.12
Return on equity	8.68%	10.93%	6.88%
Return on asset	6.94%	9.19%	5.57%
Net profit margin	56.15%	36.63%	34.03%
Solvency ratio	0.45	0.49	0.31
Interest rate coverage ratio	545.78	903.40	481.41
Asset to liability ratio	6.04	5.11	5.12
Asset to equity ratio	1.36	1.43	1.42
Debt to equity ratio	0.12	0.12	0.11
Current ratio	5.13	3.70	3.84
Acid – test ratio	2.25	1.57	1.79

**After retroactive effect of 2.5% stock dividends in 2023.*

City & Land Developers, Incorporated (Subsidiary)	**2023**	**2022**	**2021**
Earnings per share	₱0.10	₱0.27	₱0.12
Return on equity	5.68%	14.97%	7.31%
Return on asset	5.17%	13.88%	6.40%
Net profit margin	30.71%	35.22%	26.43%
Solvency ratio	0.58	1.90	0.51
Interest rate coverage ratio	–	–	–
Asset to liability ratio	11.12	13.71	8.01
Asset to equity ratio	1.10	1.08	1.14
Debt to equity ratio	0.02	–	–
Current ratio	11.85	17.39	4.97
Acid-test ratio	2.93	5.47	1.36

**After retroactive effect of 5.0% stock dividends in 2023*

Cityplans, Incorporated (Subsidiary)	**2023**	**2022**	**2021**
Earnings per share	₱0.07	₱0.05	₱–
Return on equity	3.21%	2.31%	0.03%
Return on asset	2.77%	2.09%	1.44%
Net profit margin	49.05%	37.30%	26.40%
Solvency ratio	0.69	0.22	0.20
Asset to liability ratio	9.59	10.48	7.33
Asset to equity ratio	1.14	1.11	1.16
Current ratio	16.08	20.96	15.10
Acid – test ratio	13.95	19.93	13.72

Manner of Calculations:

$$\text{Earnings per share} = \frac{\text{Net income after tax}}{\text{Outstanding number of shares}}$$

$$\text{Return on equity ratio} = \frac{\text{Net income after tax}}{\text{Total Equity}}$$

Return on asset ratio	=	Net income after tax / Total Assets
Net profit margin	=	Net income after tax / Total Revenue
Solvency ratio	=	Net income after tax + Depreciation expense / Total liabilities
Interest rate coverage ratio	=	Income before income tax + Depreciation expense + Interest expense on security deposit and others and lease liabilities / Interest expense on security deposit and others and lease liabilities
Asset-to-liability ratio	=	Total assets / Total liabilities
Asset-to-equity ratio	=	Total assets / Total equity attributable to equity holders of the Parent Company (net of net changes in fair value of equity instruments designated at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)
Debt-to-equity ratio	=	Notes payable and contract payable / Total equity (net of net changes in fair value of equity instruments designated at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)
Current ratio	=	Total current assets / Total current liabilities
Acid-test ratio	=	Cash and cash equivalents + Short-term investments + Installment contracts receivable + Current portion of contract assets + Current portion of notes receivable + Current portion of other receivables / Total current liabilities

1. **Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)**

   There are no known trends, events or uncertainties that can materially affect the Group's liquidity.

2. **Internal and External Sources of Liquidity**

   Internal sources come from sales of condominiums and real estate projects, collection of installment contracts receivable and contract assets, maturing short-term and long-term investments and notes receivable, and other sources such as rental income, interest income and dividend income. External sources come from issuances of commercial papers.

3. **Any Material Commitments for Capital Expenditures and Expected Sources of Funds of such Expenditures**

   The consolidated estimated development cost of ₱239.11 million as of December 31, 2023 representing the cost to complete the development of real estate projects sold will be sourced through:

   a) Sales of condominium and real estate projects;
   b) Collection of installment contracts receivable and contract assets;
   c) Maturing short-term and long-term investments and notes receivable; and
   d) Issuance of commercial papers.

4. **Any Known Trend or Events or Uncertainties (Material Impact on Net Sales or Revenues or Income)**

   There are no known trends, events or uncertainties that could affect the Group's net sales or revenues or income.

5. Any Significant Elements of Income or Loss that did not arise from Registrants Continuing Operations

There were no significant elements of income or loss that did not arise from registrants continuing operations.

6. Any Known Trends or Events or Uncertainties (Direct or Contingent Financial Obligation)

There are no contingent liabilities or contingent assets recorded since the last balance sheet date. The Group is contingently liable for certain lawsuits or claims filed by third parties which are either pending decisions by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Hence, no provision was recognized as of December 31, 2023 and 2022.

7. Any Known Trends or Events or Uncertainties (Material Off-balance Sheet Transactions, Arrangements, Obligations and Other Relationships)

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

8. Any Seasonal Aspects that had Material Effect on the Financial Condition or Results of Operations

There are no Seasonal Aspects that had Material Effect on the financial conditions or results of operations.

9. Causes for any Material Changes from Period to Period in One or More Line of the Registrant's Financial Statements

<u>Financial Condition (2023 vs. 2022)</u>

a. Decrease in Cash and Cash Equivalents was substantially due to decrease in sales, payment of operating and development costs, and placement of fund to secure cash bond and equity securities.
b. Increase in Short-term Investments was due to shift of excess cash equivalents to shorter term investments.
c. Increase in Installment Contract Receivables was due to sales of CPI during the year.
d. Decrease in Contract Assets was substantially due to collection during the year and lower recognition of contract assets since CLDI's ongoing project- One Hidalgo is still at its early stage of construction.
e. Decrease in Cost to Obtain Contract was recognition of commission expense relative to the increase in percentage of completion the Group's ongoing projects and completion of Pioneer Heights 1 and 101 Xavierville.
f. Increase in Notes Receivable was due to additional placements.
g. Increase in Other Receivables was substantially due to increase in accrued interest and due from related parties.
h. Increase in Real Estate Properties for Sale was primarily due to additional construction costs incurred during the year.
i. Increase in Investments in the Trust Fund was due to an additional contribution to the fund.
j. Increase in Real Estate Properties Held for Future Development was due additional cost capitalized.
k. Increase in Investment Properties was due to additional properties purchased this year.
l. Increase in Property and Equipment was due the additional right of use asset as an effect of renewal of lease contracts, PFRS 16 - *Leases.*
m. Decrease in Retirement Plan Assets primarily due to recognized re-measurement loss in 2023.
n. Decrease in Other Assets was due to the utilization of unused input VAT.
o. Decrease in Accounts Payable and Accrued Expenses was substantially due to decrease in accrued development cost, accrued directors' fee and withholdings taxes.
p. Decrease in Contract Liabilities was due to completion of the Pioneer Heights I and 101 Xavierville.
q. Increase in Notes and Contract Payable was due to increase in notes payable issued compared from previous year and due to the acquisition of properties.
r. Increase in Income Tax Payable was due to the higher taxable income.

s. Decrease in Pre-need and Other Reserves was due to maturities and termination of pension plan that cause the valuation in actuarial to decline.
t. Increase in Retirement Benefits Liabilities was due to increase in present value of defined benefit obligation and remeasurement loss.
u. Increase in Deferred Income Tax Liabilities was due to increase in realized gain on sale of real estate transactions and accrued expenses.
v. Increase Capital Stock was due to issuance of 2.5% stock dividends.
w. Increase in Retained Earnings was due to recognized net income during the year net of cash and stock dividends declared and distributed.
x. Increase in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to increase in market value of financial assets at FVOCI.
y. Increase in Accumulated Re-measurement Loss on Defined Benefit Plans was due to the actuarial loss on define benefit obligation recognized during the year.
z. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Financial Condition (2022 vs. 2021)

a. Increase in Cash and Cash Equivalents was substantially due to increase in sales, collection of receivables and shift to shorter term investments.
b. Decrease in Short-term Investments was due to shift to shorter term investments.
c. Decrease in Installment Contract Receivables was due to collection of receivables.
d. Increase in Contract Assets was substantially due to higher sales, completion of One Taft Residences and increase in the percentage of completion of the Group's ongoing projects.
e. Decrease in Cost to Obtain Contract was due to the recognition of commission expense relative to the increase in percentage of completion of the Group's ongoing projects and completion of CLDI's project, One Taft Residences.
f. Increase in Notes Receivable was due to increase in sales of real estate properties resulting to additional placements.
g. Increase in Other Receivables was substantially due to higher advances to customers for the real estate property taxes of sold condominium units and expenses relating to the transfer of titles initially paid by the Group. In 2022, the advances to customers of CLDI also significantly increased due to the completion of One Taft Residences.
h. Increase in Real Estate Properties for Sale was primarily due additional construction costs incurred and transfer from real estate properties held for future development. Also, in relation to the Memorandum of Agreement executed by CDC and CI, an increase in the account amounting to ₱155.56 million was recognized in the books of CDC in 2022.
i. Decrease in Investments in Trust Fund was due to increase in withdrawals during the year brought about by the terminations/maturities of pension plans.
j. Decrease in Real Estate Properties Held for Future Development was due to transfer of properties to real estate properties for sale.
k. Increase in Investment Properties was due to additional properties purchased during the year and are currently being leased out to third parties.
l. Decrease in Property and Equipment was due to depreciation expense and transfer to real estate properties for sale.
m. Decrease in Retirement Plan Assets was due to was due to lower re-measurement gain recognized in 2022.
n. Increase in Other Assets was due to the additional cash bonds issued to Credit and Land Holdings, Inc, in line with the HLURB requirements.
o. Increase in Accounts Payable and Accrued Expenses was substantially due to increase in rental and customers' deposit, accrued development cost, accrued directors' fee, deferred rent income, dividends payable and withholding taxes payable.
p. Decrease in Contract Liabilities was due to the completion of One Taft Residences and increase in percentage of completion of the Group's ongoing projects which satisfied the payments made by the clients.
q. Increase in Notes and Contract Payable was due to higher notes payable availed by investors in 2022 as compared to the prior year.
r. Increase in Income Tax Payable was due to higher taxable income brought about by the increase in sales.

s. Decrease in Pre-need and Other Reserves was due to increase in return on investment used in the valuation of pension plans and decrease in the number of plans.
t. Increase in Retirement Benefits Liabilities was due remeasurement loss recognized by CPI in 2021 which significantly affected the balance of plan assets.
u. Increase in Deferred Income Tax Liabilities was due to increase in realized gain on sale of real estate transactions and accrued expenses.
v. No movement in Capital Stock in 2022 since no stock dividends were declared and issued.
w. Increase in Retained Earnings was due to net income recognized during the year, net of cash dividends declared.
x. Decrease in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decline in market value of financial assets at FVOCI.
y. Decrease in Accumulated Re-measurement Loss on Defined Benefit Plans was due to the actuarial gain on defined benefit obligation due to experience adjustments recognized during the year. This resulted to a re-measurement gain in the other comprehensive income.
z. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Financial Condition (2021 vs. 2020)

a. Decrease in Cash and Cash Equivalents was substantially due to payment of operating and development costs, accounts payable and accrued expenses, notes payable, placement of funds to secure cash bond, payment of cash dividends and shift of funds to short-term investments.
b. Increase in Short-term Investments was substantially due to sales, collections of receivables and shift of excess cash and cash equivalents to short-term investments.
c. Decrease in Installment Contract Receivables was due to collection of receivables.
d. Net decrease in Contract Asset was due to right to consideration already delivered resulting the increase in billed accounts reflected in the installment contracts receivable.
e. Net decrease in Cost to Obtain Contract was due to the recognition of commission expense relative to the increase in percentage of completion of the Group’s ongoing projects.
f. Increase in Notes Receivable was due to increase in sales of real estate properties resulting to additional placements.
g. Increase in Other Receivables was substantially due to increase in rent receivable, accrued interest from investments and advances to condominium corporations.
h. Increase in Real Estate Properties for Sale was primarily due transfer real estate properties held for future development, property and equipment and investment properties and additional development costs utilized for the construction of the Group’s ongoing projects.
i. Increase in Investments in Trust Fund was due to additional contribution to the fund.
j. Decrease in Real Estate Properties Held for Future Development was due to transfer of properties to real estate property for sale.
k. Decrease in Investment Properties was due to depreciation recognized on the buildings for lease and transfer of properties to real estate properties for sale.
l. Decrease in Property and Equipment was due to depreciation expense and transfer to real estate property for sale and to real estate property for future development.
m. Increase in Retirement Plan assets was due to was due to re-measurement gain recognized.
n. Decrease in Other Assets was due to the utilization of input VAT and prepaid expenses and decline in advances to contractors.
o. Increase in Accounts Payable and Accrued Expenses was substantially due to increase in rental and customers’ deposit, accrued development cost, accrued directors’ fee, due to related parties, dividends payable, withholding taxes payable and other payables which consist substantially of commission payable, unclaimed checks of pension holders, and payables due to government agencies.
p. Net decrease in Contract Liabilities was due to the increase in percentage of completion of the Group’s ongoing projects which satisfied the payments made by the clients.
q. Decrease in Notes and Contract Payable was due to partial settlement of matured notes payable.
r. Increase in Income Tax Payable was due to higher taxable income.
s. Decrease in Retirement Benefits Liabilities was due to decrease in present value of defined benefit obligation.
t. Increase in Capital Stock was due to issuance of 5.0% stock dividends.
u. Increase in Retained Earnings was due to net income recognized during the year, net of cash dividends declared and distributed.

v. Increase in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to increase in market value of financial assets at FVOCI.
w. Decrease in Accumulated Re-measurement of Defined Benefit Plans was due to decrease in value of plan assets.
x. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Results of Operations (2023 vs. 2022)

a. Decrease in Sales of Real Estate Properties was due to lower sales generated and lower percentage of completion of One Hidalgo.
b. Increase in Financial Income was primarily due to the increase in dividend income and higher interest income from cash investments, notes receivable and guaranty deposits brought about by the increase in placements.
c. Increase in Rental Income was due to new lease contracts entered into by the Group.
d. Decrease in Other Income – net was due to the gain on exchange recognized by CDC in 2022.
e. Decrease in Costs of Real Estate Sales was due to the low percentage of completion of One Hidalgo and the high number of sales with collection below 10%.
f. Increase in Operating Expenses was due to increase in personnel expenses, taxes and licenses, outside services, power light and water, membership dues repairs and maintenance and others.
g. Increase in Financial Expenses was due to recognition of interest expense on lease liability.
h. Decrease in Provision for Income Tax was due to the lower taxable income.
i. Decrease in Net Income was primarily due to lower revenues.

Results of Operations (2022 vs. 2021)

a. Increase in Sales of Real Estate Properties was due to higher sales brought about by the recovery in the economy, increase in the percentage of completion of ongoing projects and the completion of One Taft Residences.
b. Increase in Financial Income was primarily due to higher interest income earned from cash equivalents and short-term investments.
c. Increase in Rental Income was due to additional units rented out for lease by CLDI as a result of the completion of One Taft Residences. Further, additional contracts were also entered during the year.
d. Increase in Other Income – net was due to the gain on exchange recognized by CDC.
e. Increase in Costs of Real Estate Sales was due to higher sales as this move in tandem with sales.
f. Increase in Operating Expenses was due to higher sales resulting to increase in personnel expenses, taxes and licenses, professional fees, outside services, brokers’ commission, insurance expense, membership dues and donations.
g. Increase in Financial Expenses was due to higher finance charges.
h. Increase in Provision for Income Tax was due to the increase in taxable income.
i. Increase in Net Income was primarily due to increase in sales of real estate properties brought about by the economic recovery, completion of One Taft Residences and increase in the percentage of completion of the Group’s ongoing projects.

Results of Operations (2021 vs. 2020)

a. Increase in Sales of Real Estate Properties was due to higher sales brought by the recovery of the economy, loosening of quarantine restrictions and due to increase in the percentage of completion of the Group’s ongoing projects.
b. Decrease in Financial Income was due to lower interest income from installment contracts receivables and contract assets, cash equivalents, short-term and long-term investments, and dividend income.
c. Decrease in Rental Income was due to pre-terminated lease contracts and rent concessions granted to the tenants during the year.
d. Decrease in Other Income – net was due to reversal of accrued directors’ fees.
e. Increase in Cost of Real Estate Sales was due to higher sales as this move in tandem with sales.
f. Increase in Operating Expenses was due to higher sales resulting to increase in personnel expenses, professional fees, outside services, insurance expense, repairs and maintenance, rent expense and membership dues.
g. Decrease in Financial Expenses was due to lower finance charges and interest expense on lease liabilities.
h. Decrease in Provision for Income Tax was due to the remeasurement due to the change in tax rates.
i. Increase in Net Income was primarily due to increase in sales of real estate properties and percentage of completion of the Group’s ongoing projects.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

2023 vs 2022

	2023	2022	Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	685,887,140	1,106,544,817	(420,657,677)	-38.02%
Short-term investments	1,131,400,000	668,700,000	462,700,000	69.19%
Current portion of:				
Installment contracts receivable	16,433,171	13,268,932	3,164,239	23.85%
Contract assets	654,289,571	496,710,264	157,579,307	31.72%
Cost to obtain contract	717,790	16,976,511	(16,258,721)	-95.77%
Notes receivable	1,252,000,000	1,031,000,000	221,000,000	21.44%
Investment in trust funds	2,870,130	9,196,033	(6,325,903)	-68.79%
Other receivables	73,934,896	68,676,913	5,257,983	7.66%
Real estate properties for sale	4,773,833,259	4,399,033,169	374,800,090	8.52%
Other current assets	107,020,598	143,081,677	(36,061,079)	-25.20%
Total Current Assets	8,698,386,555	7,953,188,316	745,198,239	9.37%
Noncurrent Assets				
Installment contracts receivable - net of current portion	25,666,335	15,479,329	10,187,006	65.81%
Long-term investments	100,000,000	200,000,000	(100,000,000)	-50.00%
Contract Assets-net of current portion	1,553,867,706	1,978,170,036	(424,302,330)	-21.45%
Cost to obtain contract - net of current portion	5,023,133	-	5,023,133	100%
Notes receivable-net of current portion	-	100,000,000	(100,000,000)	-100.00%
Investment in trust funds- net of current portion	34,080,497	25,039,321	9,041,176	36.11%
Other receivables - net of current portion	840,277	712,197	128,080	17.98%
Real estate properties held for future development	377,771,910	376,574,395	1,197,515	0.32%
Investment properties	2,645,229,164	2,412,409,565	232,819,599	9.65%
Property and equipment	76,161,811	57,805,979	18,355,832	31.75%
Net retirement plan assets	5,877,044	17,676,384	(11,799,340)	-66.75%
Other noncurrent assets	364,743,642	340,887,340	23,856,302	7.00%
Total Noncurrent Assets	5,189,261,519	5,524,754,546	(335,493,027)	-6.07%
TOTAL ASSETS	13,887,648,074	13,477,942,862	409,705,212	3.04%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	401,486,977	711,450,060	(309,963,083)	-43.57%
Current portion of contract liabilities	10,704,561	279,143,653	(268,439,092)	-96.17%
Notes and contracts payable	1,237,556,450	1,133,399,400	104,157,050	9.19%
Income tax payable	45,271,825	25,624,815	19,647,010	76.67%
Current portion of pre-need and other reserves	1,115,430	822,843	292,587	35.56%
Total Current Liabilities	1,696,135,243	2,150,440,771	(454,305,528)	-21.13%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	299,152,865	246,302,365	52,850,500	21.46%
Contract liabilities - net of current portion	38,662,390	-	38,662,390	100%
Pre-need and other reserves - net of current portion	22,822,951	23,192,535	(369,584)	-1.59%
Net retirement benefits liability	3,569,282	3,769	3,565,513	94601%
Deferred income tax liabilities - net	237,182,561	215,637,818	21,544,743	9.99%
Total Noncurrent Liabilities	601,390,049	485,136,487	116,253,562	23.96%
Total Liabilities	2,297,525,292	2,635,577,258	(338,051,966)	-12.83%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital stock - ₱1 par value				
Authorized - 5,000,000,000 shares in 2023 and 2022				
Issued - 4,978,437,272 shares and 4,857,059,542 shares held by 640 and 638 equity holders as December 31, 2023 and 2022, respectively	4,978,437,272	4,857,059,542	121,377,730	2.50%
Additional paid-in capital	7,277,651	7,277,651	-	0.00%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	7,633,682	219,838	7,413,844	3372.41%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(21,072,310)	(10,419,993)	(10,652,317)	102.23%
Retained earnings	5,223,093,820	4,605,054,050	618,039,770	13.42%
Treasury stock - at cost	(31,429,574)	(31,429,574)	-	0.00%
	10,163,940,541	9,427,761,514	736,179,027	7.81%
Non-controlling interests	1,426,182,241	1,414,604,090	11,578,151	0.82%
Total Equity	11,590,122,782	10,842,365,604	747,757,178	6.90%
TOTAL LIABILITIES AND EQUITY	13,887,648,074	13,477,942,862	409,705,212	3.04%

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

2022 vs 2021

	2022	2021	Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	1,106,544,817	732,444,939	374,099,878	51.08%
Short-term investments	668,700,000	1,382,505,733	(713,805,733)	-51.63%
Current portion of:				
Installment contracts receivable	13,268,932	21,889,866	(8,620,934)	-39.38%
Contract assets	496,710,264	250,124,875	246,585,389	98.58%
Cost to obtain contract	16,976,511	13,316,389	3,660,122	27.49%
Notes receivable	1,031,000,000	901,446,456	129,553,544	14.37%
Investment in trust funds	9,196,033	9,995,944	(799,911)	-8.00%
Other receivables	68,676,913	44,642,047	24,034,866	53.84%
Real estate properties for sale	4,399,033,169	3,741,519,233	657,513,936	17.57%
Other current assets	143,081,677	31,720,487	111,361,190	351.07%
Total Current Assets	7,953,188,316	7,129,605,969	823,582,347	11.55%
Noncurrent Assets				
Installment contracts receivable - net of current portion	15,479,329	17,158,472	(1,679,143)	-9.79%
Long-term investments	200,000,000	90,000,000	110,000,000	122.22%
Contract Assets-net of current portion	1,978,170,036	1,551,682,227	426,487,809	27.49%
Cost to obtain contract - net of current portion	-	11,692,918	(11,692,918)	-100.00%
Notes receivable-net of current portion	100,000,000	100,000,000	-	0.00%
Investment in trust funds- net of current portion	25,039,321	29,461,310	(4,421,989)	-15.01%
Other receivables - net of current portion	712,197	693,982	18,215	2.62%
Real estate properties held for future development	376,574,395	896,485,396	(519,911,001)	-57.99%
Investment properties	2,412,409,565	1,882,700,586	529,708,979	28.14%
Property and equipment	57,805,979	62,374,575	(4,568,596)	-7.32%
Net retirement plan assets	17,676,384	18,179,914	(503,530)	-2.77%
Other noncurrent assets	340,887,340	302,650,954	38,236,386	12.63%
Total Noncurrent Assets	5,524,754,546	4,963,080,334	561,674,212	11.32%
TOTAL ASSETS	13,477,942,862	12,092,686,303	1,385,256,559	11.46%

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	711,450,060	654,068,395	57,381,665	8.77%
Current portion of contract liabilities	279,143,653	239,828,485	39,315,168	16.39%
Notes and contracts payable	1,133,399,400	950,327,660	183,071,740	19.26%
Income tax payable	25,624,815	12,334,717	13,290,098	107.75%
Current portion of pre-need and other reserves	822,843	1,777,333	(954,490)	-53.70%
Total Current Liabilities	2,150,440,771	1,858,336,590	292,104,181	15.72%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	246,302,365	164,679,905	81,622,460	49.56%
Contract liabilities - net of current portion	-	184,302,169	(184,302,169)	-100.00%
Pre-need and other reserves - net of current portion	23,192,535	34,912,825	(11,720,290)	-33.57%
Net retirement benefits liability	3,769	975,292	(971,523)	-99.61%
Deferred income tax liabilities - net	215,637,818	117,134,667	98,503,151	84.09%
Total Noncurrent Liabilities	485,136,487	502,004,858	(16,868,371)	-3.36%
Total Liabilities	2,635,577,258	2,360,341,448	275,235,810	11.66%

Equity				
Attributable to Equity Holders of the Parent Company				
Capital stock - ₱1 par value				
Authorized - 5,000,000,000 shares in 2022 and 2021				
Issued- 4,857,059,542 shares held by 638 and 645 equity holders as of December 31, 2022 and 2021, respectively	4,857,059,542	4,857,059,542	-	0.00%
Additional paid-in capital	7,277,651	7,277,651	-	0.00%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	219,838	446,503	(226,665)	-50.76%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(10,419,993)	(11,977,469)	1,557,476	-13.00%
Retained earnings	4,605,054,050	3,682,372,290	922,681,760	25.06%
Treasury stock - at cost	(31,429,574)	(31,429,574)	-	0.00%
	9,427,761,514	8,503,748,943	924,012,571	10.87%
Non-controlling interests	1,414,604,090	1,228,595,912	186,008,178	15.14%
Total Equity	10,842,365,604	9,732,344,855	1,110,020,749	11.41%
TOTAL LIABILITIES AND EQUITY	13,477,942,862	12,092,686,303	1,385,256,559	11.46%

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
VERTICAL ANALYSIS

<u>2023 vs 2022 vs 2021</u>

	December 31, 2023	Percentage	December 31, 2022	Percentage	December 31, 2021	Percentage
ASSETS						
Current Assets						
Cash and cash equivalents	**685,887,140**	4.94%	1,106,544,817	8.21%	732,444,939	6.06%
Short-term investments	**1,131,400,000**	8.15%	668,700,000	4.96%	1,382,505,733	11.43%
Current portion of:						
Installment contracts receivable	**16,433,171**	0.12%	13,268,932	0.10%	21,889,866	0.18%
Contract assets	**654,289,571**	4.71%	496,710,264	3.69%	250,124,875	2.07%
Cost to obtain contract	**717,790**	0.01%	16,976,511	0.13%	13,316,389	0.11%
Notes receivable	**1,252,000,000**	9.02%	1,031,000,000	7.65%	901,446,456	7.45%
Investments in trust funds	**2,870,130**	0.02%	9,196,033	52.02%	9,995,944	54.98%
Other receivable	**73,934,896**	0.53%	68,676,913	0.51%	44,642,047	0.37%
Real estate properties for sale	**4,773,833,259**	34.37%	4,399,033,169	32.64%	3,741,519,233	30.94%
Other current assets	**107,020,598**	0.77%	143,081,677	1.06%	31,720,487	0.26%
Total Current Assets	**8,698,386,555**	62.63%	7,953,188,316	110.97%	7,129,605,969	113.86%
Noncurrent Assets						
Installment contracts receivable - net of current portion	**25,666,335**	0.18%	15,479,329	0.11%	17,158,472	0.14%
Long-term investments	**100,000,000**	0.72%	200,000,000	1.48%	90,000,000	0.74%
Contract assets - net of current portion	**1,553,867,706**	11.19%	1,978,170,036	14.68%	1,551,682,227	12.83%
Cost to obtain contract - net of current portion	**5,023,133**	0.04%	-	0.00%	11,692,918	0.10%
Notes receivable-net of current portion	**-**	0.00%	100,000,000	0.74%	100,000,000	0.83%
Investments in trust funds - net of current portion	**34,080,497**	9.34%	25,039,321	7.35%	29,461,310	9.73%
Other receivables - net of current portion	**840,277**	0.01%	712,197	0.01%	693,982	0.01%
Real estate properties held for future development	**377,771,910**	2.72%	376,574,395	2.79%	896,485,396	7.41%
Investment properties	**2,645,229,164**	19.05%	2,412,409,565	17.90%	1,882,700,586	15.57%
Property and equipment	**76,161,811**	0.55%	57,805,979	0.43%	62,374,575	0.52%
Net retirement plan assets	**5,877,044**	0.04%	17,676,384	0.13%	18,179,914	0.15%
Other noncurrent assets	**364,743,642**	2.63%	340,887,340	2.53%	302,650,954	2.50%
Total Noncurrent Assets	**5,189,261,519**	46.46%	5,524,754,546	48.15%	4,963,080,334	50.53%
TOTAL ASSETS	**13,887,648,074**	109.10%	13,477,942,862	159.12%	12,092,686,303	164.39%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and accrued expenses	**401,486,977**	2.89%	711,450,060	5.28%	654,068,395	5.41%
Current portion of contract liabilities	**10,704,561**	0.08%	279,143,653	2.07%	239,828,485	1.98%
Notes and contracts payable	**1,237,556,450**	8.91%	1,133,399,400	8.41%	950,327,660	7.86%
Income tax payable	**45,271,825**	0.33%	25,624,815	0.19%	12,334,717	0.10%
Current portion of pre-need and other reserves	**1,115,430**	0.01%	822,843	0.01%	1,777,333	0.01%
Total Current Liabilities	**1,696,135,243**	12.21%	2,150,440,771	15.96%	1,858,336,590	15.37%
Noncurrent Liabilities						
Accounts payable and accrued expenses - net of current portion	**299,152,865**	2.15%	246,302,365	1.83%	164,679,905	1.36%
Contract liabilities - net of current portion	**38,662,390**	0.28%	-	0.00%	184,302,169	1.52%
Pre-need and other reserves - net of current portion	**22,822,951**	0.16%	23,192,535	0.17%	34,912,825	0.29%
Net retirement benefits liability	**3,569,282**	0.03%	3,769	0.00%	975,292	0.01%
Deferred income tax liabilities - net	**237,182,561**	1.71%	215,637,818	1.60%	117,134,667	0.97%
Total Noncurrent Liabilities	**601,390,049**	4.33%	485,136,487	3.60%	502,004,858	4.15%
Total Liabilities	**2,297,525,292**	16.54%	2,635,577,258	19.55%	2,360,341,448	19.52%
Equity						
Attributable to Equity Holders of the Parent Company						
Capital stock - ₱1 par value						
Authorized - 5,000,000,000 shares in 2022 and 2021						
Issued- 4,857,059,542 shares held by 638 and 645 equity as of December 31, 2022 and 2021, respectively	4,978,437,272	35.85%	4,857,059,542	36.04%	4,857,059,542	40.17%
Additional paid-in capital	7,277,651	0.05%	7,277,651	0.05%	7,277,651	0.06%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	7,633,682	0.05%	219,838	0.00%	446,503	0.00%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(21,072,310)	-0.15%	(10,419,993)	-0.08%	(11,977,469)	-0.10%
Retained earnings	5,223,093,820	37.61%	4,605,054,050	34.17%	3,682,372,290	30.45%
Treasury stock - at cost	(31,429,574)	-0.23%	(31,429,574)	-0.23%	(31,429,574)	-0.26%
	10,163,940,541	73.19%	9,427,761,514	69.95%	8,503,748,943	70.32%
Non-controlling interests	**1,426,182,241**	10.27%	1,414,604,090	10.50%	1,228,595,912	10.16%
Total Equity	**11,590,122,782**	72.96%	10,842,365,604	69.72%	9,732,344,855	70.06%
TOTAL LIABILITIES AND EQUITY	**13,887,648,074**	89.50%	13,477,942,862	89.27%	12,092,686,303	89.58%

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CONSOLIDATED STATEMENTS OF INCOME
HORIZONTAL ANALYSIS

2023 vs 2022

	2023	2022	Change	% Change
REVENUE				
Sales of real estate properties	2,177,856,699	2,556,337,564	(378,480,865)	-14.81%
Financial income	505,718,410	383,203,120	122,515,290	31.97%
Rent income	219,785,579	188,581,479	31,204,100	16.55%
Other income - net	133,791,181	257,667,356	(123,876,175)	-48.08%
	3,037,151,869	3,385,789,519	(348,637,650)	-10.30%
COST AND EXPENSES				
Cost of real estate sales	1,180,078,929	1,188,728,457	(8,649,528)	-0.73%
Operating expenses	608,726,460	577,440,550	31,285,910	5.42%
Financial expenses	3,606,843	3,204,377	402,466	12.56%
	1,792,412,232	1,769,373,384	23,038,848	1.30%
INCOME BEFORE INCOME TAX	1,244,739,637	1,616,416,135	(371,676,498)	-22.99%
PROVISION FOR INCOME TAX	280,498,536	378,191,838	(97,693,302)	-25.83%
NET INCOME	964,241,101	1,238,224,297	(273,983,196)	-22.13%

2022 vs 2021

	2022	2021	Change	% Change
REVENUE				
Sales of real estate properties	2,556,337,564	1,291,736,395	1,264,601,169	97.90%
Financial income	383,203,120	380,932,836	2,270,284	0.60%
Rent income	188,581,479	183,742,910	4,838,569	2.63%
Other income - net	257,667,356	121,727,810	135,939,546	111.68%
	3,385,789,519	1,978,139,951	1,407,649,568	71.16%
COST AND EXPENSES				
Cost of real estate sales	1,188,728,457	648,939,898	539,788,559	83.18%
Operating expenses	577,440,550	490,790,729	86,649,821	17.66%
Financial expenses	3,204,377	2,408,933	795,444	33.02%
	1,769,373,384	1,142,139,560	627,233,824	54.92%
INCOME BEFORE INCOME TAX	1,616,416,135	836,000,391	780,415,744	93.35%
PROVISION FOR INCOME TAX	378,191,838	162,853,416	215,338,422	132.23%
NET INCOME	1,238,224,297	673,146,975	565,077,322	83.95%

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Information on Independent Accountant

Sycip Gorres Velayo & Co. is the Group's external auditor for the years 2023 and 2022. The engagement partners for the said years are Ms. Aileen L. Saringan and Mr. Manolito R. Elle, respectively.

	External Audit Fees	
	2023	2022
Audit and audit-related fees (Parent Company)	**₱1,250,000**	₱1,151,000
Tax fees	–	–
All other fees	–	–
Total	**₱1,250,000**	₱1,151,000

The Parent Company did not avail any non-audit related services from external parties.

The Audit and Risk Committee's approval policies and procedures consist of:

a. Discussion with the external auditors regarding the Audited Financial Statements;
b. Recommendation to the Board of Directors for the approval and release of the Audited Financial Statements; and
c. Recommendation to the Board of Directors the appointment of the external auditors.

During the Annual Stockholders' Meeting of the Company, the appointment of the external auditors and approval of the audited financial statements are being presented for ratification by the stockholders.

DIVIDENDS AND MARKET PRICE OF SHARES OF STOCK

1. Dividends Policy

Dividends declared by the Group are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the Group. Events that may limit the Group in declaring dividends include bankruptcy, insolvency or whether funds are set aside for capital improvements. Cash dividends on common shares are deducted from retained earnings upon declaration by the Board of Directors (BOD). Stock dividends on common shares are measured based on the par value of declared stock dividends. The Group has no specific dividends policy but it ensures that it is compliant with the provisions of the Revised Corporation Code.

The Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors (BOD), or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

2. Dividends

The Company declared the following dividends from 2021 to 2023:

	2023	**2022**	**2021**
Cash	₱0.0295	₱0.0222	₱0.0212
Stock	2.5%	–	5%

Further, its subsidiaries, CLDI and CPI declared the following dividends from 2021 to 2023:

CLDI

	2023	**2022**	**2021**
Cash	₱0.0913	₱0.0317	₱0.0139
Stock	5%	–	5%

CPI

	2023	**2022**	**2021**
Cash	₱–	₱–	₱–
Stock	–	–	–

Cash dividends on common shares were deducted from retained earnings upon declaration by the BOD. All cash dividends due during the year were paid.

Stock dividends on common shares are measured based on the total par value of declared stock dividend. Stock dividends are deducted from retained earnings when the BOD's declaration is ratified by the stockholders of the Group and the increase for authorized capital stock is approved by the SEC in cases of stock dividends issued to cover an increase in authorized capital stock. Unissued stock dividends are recorded as stock dividends distributable and credited to capital stock upon issuance.

Dividends for the year that are declared after the end of the reporting period but before the approval for issuance of financial statements are dealt with as an event after the reporting period.

3. Stock Prices

The stock prices of CDC are as follows:

		Unclassified Common Shares	
		High	**Low**
2023	First Quarter	0.75	0.69
	Second Quarter	0.82	0.66
	Third Quarter	0.78	0.69
	Fourth Quarter	0.76	0.65
2022	First Quarter	0.73	0.65
	Second Quarter	0.74	0.68
	Third Quarter	0.74	0.65
	Fourth Quarter	0.74	0.63
2021	First Quarter	0.97	0.73
	Second Quarter	1.29	0.79
	Third Quarter	1.07	0.76
	Fourth Quarter	0.80	0.72

4. Trading Market

The Parent Company's common equity is traded in the Philippine Stock Exchange.

The Group has no plans of acquisition, business combination, or other reorganization that will take effect in the near future that involves issuances of securities.

5. Price Information on the Latest Practicable Date

The Parent Company's shares were last traded on March 20, 2024 at ₱0.70 per share.

6. Public Ownership

Total number of shares owned by the public as of March 31, 2024 is 1,674,898,478 shares, which represent 33.66% of the total 4,978,437,272 number of listed common shares.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

7. Holders

a. The number of shareholders of record as of March 31, 2024 was 636.

b. The Top 20 Stockholders of record as of March 31, 2024 are as follows:

		No. of Shares Held	Percentage
1.	Cityland, Inc.	2,536,813,215	50.98
2.	PCD Nominee Corporation – Filipino	1,087,096,029	21.84
3.	Liuson, Grace C.	174,619,256	3.51
4.	Liuson, Andrew I. (Dr.)	152,318,749	3.06
5.	Roxas, Jeferson C.	131,867,476	2.65
6.	Gohoc, Josef C.	110,217,455	2.21
7.	The Good Seed Sower Foundation, Inc.	88,417,867	1.78
8.	Roxas, Helen C.	75,646,299	1.52
9.	Liuson, Grace C. Or Josua C. Gohoc	63,633,137	1.28
10.	PCD Nominee Corporation – Foreign	61,505,778	1.24
11.	Recto, Ester	38,861,656	0.78
12.	Roxas, Stephen C.	34,277,602	0.69
13.	Jefcon, Inc.	23,079,213	0.46
14.	Chiong, Daniel	22,693,931	0.46
15.	Tan, Joyce Liuson or Tan, Philip Sim	22,230,147	0.45
16.	Chang, Rita D.	21,526,165	0.43
17.	Obadiah, Inc.	21,255,794	0.43
18.	Chiong, Elizabeth	15,150,738	0.30
19.	Recto, Ester	15,150,738	0.30
20.	Co, Stephen Vincent	13,787,172	0.28

8. Recent Sale of Unregistered Securities (including recent issuance of securities constituting an exempt transaction)

a. There was no sale of unregistered securities.

b. The total number of shares issued and outstanding of the Company is 4,976,499,325 and 4,855,121,595 in 2023 and 2022, respectively excluding 1,937,947 treasury common shares.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no changes in and disagreements with accountants on accounting and financial disclosures.

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The evaluation system employed by the Registrant is thru a periodic self-rating system based on the criteria on the leading practices and principles on good governance.

1. Measures being undertaken by the Registrant to fully comply with the adopted Leading Practices on Good Corporate Governance

   We have implemented the periodic self-rating system. The Corporate Governance Committee meets regularly to review and assess the status of the Company's compliance with the Corporate Governance.

   The Compliance Officer is also tasked to monitor and ensure the proper implementation of the Company's policies and procedures. The Company takes into consideration the recommendations provided in the Integrated Annual Corporate Governance and determines the relevance to the Company. Once the SEC recommendation is deemed applicable to the Company, the Compliance Team headed by the Compliance Officer prepares the policies for review of the Corporate Governance Committee and approval of the Board. Any new policy for implementation is cascaded to the employees. The Compliance Team monitors of the compliance of the policies and procedures and reports such to the Corporate Governance Committee.

   The Committee discusses to the Board any significant matters needing Board's approval.

The Company's Manual on Corporate Governance is disclosed and posted on its website: http://www.cityland.info/integrated-acgr.

2. Any deviation from the Company's Manual of Corporate Governance (including a disclosure of the name and position of the persons involved and sanctions imposed on said individual)

   There were no major deviations that require sanctions.

3. Any plan to improve corporate governance of the company.

   A continuous review and assessment on the Corporate Governance of the Company is being conducted. As discussed in Item No. 1, the Company determines the relevance of the SEC recommendations and implements such after thorough review and assessment.

Pursuant to SEC Memorandum Circular No. 5, Series of 2013, the Corporate Governance Section of the Annual Report has been deleted and to be submitted separately to Securities and Exchange Commission.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, Consultants and Management of Cityland Development Corporation, I would like to express our appreciation to all our stockholders for your trust and confidence.

I also acknowledge the time and expertise shared to us by our consultants and directors and the commitment and hard work of our managers and staff in the attainment of our corporate goals.

With God’s grace, we look forward to a better year in 2024 for Cityland and the real estate industry.

Upon written request, the Company undertakes to provide without charge a copy of the Annual Report on SEC Form 17-A. Copies can be picked up from Ms. Michelle Marcelino, 3/F Cityland Condominium 10 Tower II, 154 H.V. Dela Costa Street, Makati City, Tel. (632)-8893-6060 local 148 or may email at stocks@cityland.net.

CITYLAND

CITYLAND DEVELOPMENT CORPORATION

CERTIFICATION

I hereby certify that the following Directors and Executive Officers of Cityland Development Corporation for the Year 2023 were not elected as public servants, nor appointees, nor employees of any government agency except for Bp. Villanueva:

Directors:

1. Dr, Andrew I. Liuson
2. Grace C. Liuson
3. Josef C. Gohoc
4. Peter S. Dee (Independent Director)
5. George Edwin Y. Sycip (Independent Director)
6. Bp. Eduardo C. Villanueva (Independent Director)*
7. Helen C. Roxas
8. Benjamin I. Liuson
9. Jefferson C. Roxas

Executive Officers:

1. Emma A. Choa
2. Rudy Go
3. Melita M. Revuelta *(retired effective December 31,2023)*
4. Melita L. Tan
5. Romeo E. Ng *(retired effective January 6, 2024)*
6. Rosario D. Perez
7. Winefreda R. Go *(retired effective December, 31, 2023)*
8. Atty. Albert Anthony H. Ocampo
9. Jocelyn C. De Asis
10. Hazel Anne C. Paule *(appointed January 1, 2024)*

*Bp. Eduardo C. Villanueva (Independent Director) was the Deputy Speaker for Good Governance and Moral Uprightness of the Philippine Congress from 2019 to 2022 and currently a Representative of Citizens' Battle Against Corruption (CIBAC) Party-list. A request was filed for an updated consent from the said government agency regarding the election of Bp. Villanueva as a nominee for election as an Independent Director for the year 2024-2025.

Given this 26th day of April 2024.

Certified by:

ATTY. ALBERT ANTHONY H. OCAMPO
Corporate Secretary

APR 26 2024 SUBSCRIBED AND SWORN TO before me, a Notary public for and in PASIG CITY this ____ affiant exhibiting to me his Social Security with ID no. ____ and other competent evidence of identification.

Doc. No. 403
Page No. 82
Book No. V
Series of 2024

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2024
APPOINTMENT NO.
IBP ROLL NO.
IBP NO.
PTR No.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, PETER S. DEE, Filipino, of legal age and resident of 7 Banaba Circle, South Forbes Park, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Cityland Development Corporation** and have been its independent director since October 1979;

2. I am affiliated with the following companies/organizations:

COMPANY	POSITION	PERIOD OF SERVICE
Alpolac, Inc.	Director	1994 to present
China Banking Corporation	Director	1977 to present
CBC Properties & Computer Center, Inc.	Director / President	1984 to present
Cityland, Inc.	Independent Director Chairman – Corporate Governance Committee Chairman – Audit & Risk Committee	December 2006 to present July 2018 to present January 2007 to present
City & Land Developers, Incorporated	Independent Director Chairman – Audit & Risk Committee	November 2009 to present
GDSK Development Corporation	Director	1990 to present
Makati Curbs Holdings Corporation	Director	2012 to present
Great Expectation Holdings, Inc.	Director/Chairman/President	October 2012 to present
Commonwealth Foods, Inc.	Director	May 2013 to present
The Big D Holdings Corporation	Director/Chairman/President	April 2013 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Cityland Development Corporation**, as provided for in Section 38 of the Securities Regulation Code, and its Implementing Rules and Regulations and other SEC issuance;

4. I am not related to any director/officer/substantial shareholder of **Cityland Development Corporation** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
NONE	NONE	NONE

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

Offense - Charged/Investigated	Tribunal or Agency Involved	Status
NONE	NONE	NONE

6. I am not an independent director in any of government service/affiliated with a government agency or GOCC;

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations Code of Corporate Governance and other SEC issuances; and

8. I shall inform the Corporate Secretary of **Cityland Development Corporation** of any changes in the abovementioned information within five days from its occurrence.

Done this day of APR 1 6 2024 at MANILA.

Peter S. Dee
Affiant

SUBSCRIBED AND SWORN to before me this APR 1 6 2024 at MANILA, affiant personally appeared before me and exhibited to me his SSS ID ~~with no.~~ and other competent evidence of identification.

Doc no. 707;
Page no. 62;
Book no. VI;
Series of 2024.

ATTY. ALBERT ANTHONY H. OCAMPO
NOTARY PUBLIC FOR MANILA
UNTIL DECEMBER 31, 2025
APPOINTMENT NO.
ROLL NO.
IBP NO.:
PTR NO.:

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **George Edwin SyCip**, American, of legal age, and with Philippine residence at 60 Cambridge Circle, North Forbes Park, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Cityland Development Corporation** and have been one of its independent directors since December 13, 2017.

2. I am affiliated with the following companies/organizations (including Government-Owned and -Controlled Corporations):

COMPANY	POSITION	PERIOD OF SERVICE
Halanna Management Corp.	President	December 1987 to present
Bank of the Orient	Director	May 1993 to present
Asian Alliance Holdings and Development Corp.	Director	November 1995 to present
Paxys, Inc.	Director	October 2004 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Cityland Development Corporation**, as provided for in Section 38 of the Securities Regulation Code, and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **Cityland Development Corporation** other than the relationship provided under Rule 38.2.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.

Name of Director / Officer/ Substantial Shareholder	Company	Nature of Relationship
NONE	**NONE**	**NONE**

5. To the best of my knowledge, I am the subject of the following criminal or administrative investigations or proceedings.

Offense Charged/Investigated	**Tribunal or Agency Involved**	**Status**
a. Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – preliminary investigation	Office the Secretary – Department of Justice (OSEC-PR-DTF-2-010916-001; NPS Docket Nos. XVI-INV-15B-00033 to 00034, titled *Harvest All Investment Limited, et al. v. Annsley B. Bangkas, et al./Harvest All Investment Limited, et al. v. George SyCip, et al.*)	The Department of Justice ("**DOJ**") reversed the dismissal of the cases by the DOJ Prosecution Staff even though there was a finding that the directors, including myself, did not issue a board resolution that expressly denied the inspection request. My *Motion for Reconsideration* of the DOJ *Resolution* is pending. My co-respondents filed a *Petition for Certiorari* with the Court of Appeals assailing the DOJ *Resolution*. The petition was denied by the Court of Appeals; thus, my co-respondents filed a *Petition for Review on Certiorari* with the Supreme Court. The petition is still pending.

Offense Charged/Investigated	Tribunal or Agency Involved	Status
b. Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – filed in court	Regional Trial Court of Pasig, Branch 161 (Criminal Case Nos. R-PSG-21-03136-CR to 03137-CR, titled *People of the Philippines v. Annsley B. Bangkas, et al.*)	This is an offshoot of the case above (*e.g.*, NPS Docket Nos. XVI-INV-15B-00033 to 00034). The case was initially raffled to the Metropolitan Trial Court of Pasig, Branch 71, which issued a *Resolution* dated November 11, 2020 dismissing the case for lack of jurisdiction without prejudice to its refiling with the proper Regional Trial Court. The prosecution's motion for reconsideration was denied through the court's *Resolution* dated February 22, 2021. The *Information* was eventually refiled by the Office of the City Prosecutor of Pasig and raffled to the Regional Trial Court ("**RTC**") of Pasig, Branch 161. Though the court has not acquired personal jurisdiction over me, it has been sending my counsel copies of the court's orders. The RTC issued an *Order* dated May 18, 2022 suspending the proceedings because of a prejudicial question subject of Commercial Case No. 14-219. The prosecution's *Motion for Reconsideration* was denied by the RTC through its *Order* dated September 20, 2022.
c. Alleged violation of Sections 74 and 75 in relation to Section 144 of the Corporation Code (or alleged violation of the right to inspect) – preliminary investigation	Department of Justice – Prosecution Staff (NPS Docket No. XVI-INV-15B-00053, titled *Hedy S.C. Yap-Chua v. Jonathan Y. Dee, et al.*)	The Office of the Prosecutor General of the DOJ, through a *Review Resolution* dated March 20, 2018 ("**March 20 Resolution**") ruled in favor of the complainant even though the request for inspection was granted by the board of directors, including myself. I filed a *Petition for Review* of the March 20 Resolution with the Secretary of Justice. The Secretary of Justice, through its *Resolution* dated December 29, 2021 ("**December 29 Resolution**"), granted my *Petition for Review* and the petitions filed my co-respondents. Through the December 29 Resolution, the Secretary of Justice dismissed the charges and directed the Prosecutor General to withdraw any *Information* filed by virtue of this case. The complainant's motion for reconsideration of the December 29 Resolution was denied by the Secretary of Justice through his *Resolution* dated June 15, 2022 ("**June 15 Resolution**"). The complainant then filed a *Petition for Certiorari* with the Court of Appeals assailing the Secretary of Justice's December 29 Resolution and June 15 Resolution. The complainant's petition is still pending.

Offense Charged/Investigated	Tribunal or Agency Involved	Status
d. Alleged violation of Sections 73 and 74 in relation to Sections 161 and 170 of the Revised Corporation Code (or alleged violation of the right to inspect) – filed in court	Regional Trial Court of Pasig, Branch 157 (Criminal Case Nos. R-PSG-21-01844-CR to 01845-CR, titled *People of the Philippines v. Jonathan Y. Dee, et al.*)	This is an offshoot of the case above (*e.g.*, NPS Docket No. XVI-INV-15B-00053). The case was initially raffled to the Metropolitan Trial Court of Pasig, Branch 70, which issued an *Order* dated March 6, 2020 ("**March 6 Order**") dismissing the case for lack of subject matter jurisdiction. A motion for reconsideration of the March 6 Order was filed by the prosecution and was denied by the court through a *Resolution* dated November 12, 2020. The Office of the City Prosecutor of Pasig refiled the *Information* with the Regional Trial Court of Pasig and the case was raffled to Branch 157 ("**RTC**"). Pursuant to the DOJ Secretary's December 29 Resolution, the Office of the City Prosecutor of Pasig filed a *Motion to Withdraw Information* dated February 14, 2022. The RTC issued its *Omnibus Resolution* dated May 24, 2022 granting the prosecution's *Motion to Withdraw Information* and dismissing the cases for lack of probable cause. The complainant filed a *Motion for Partial Reconsideration* which was denied by the RTC.
e. Alleged violation of Presidential Decree No. 1689, in relation to Article 315(2)(a) of the Revised Penal Code (syndicated estafa) and Article 171(1) of the Revised Penal Code (falsification of public document) – preliminary investigation	Office the Secretary – Department of Justice (NPS Docket Nos. XV-07-INV-16B-01028 and XV-07-INV-16D-01843, titled *Victory Fund Limited, et al. v. Jonathan Y. Dee, et al./Jonathan Y. Dee, et al. v. Hedy S.C. Yap-Chua*)	The Office of the City Prosecutor – Manila dismissed both Complaints. The complainants' Appeal to the DOJ was also denied. Through a *Resolution* dated March 27, 2018 ("**March 27 Resolution**"), the DOJ partially granted the complainants' motion for reconsideration by finding probable cause for simple estafa against me and some of my co-respondents; the DOJ affirmed its ruling dismissing the syndicated estafa and falsification of public document charges. Several respondents, including myself, have filed motions for reconsideration of the March 27 Resolution, which are pending. Some of the respondents filed a *Petition for Certiorari* with the Court of Appeals to challenge the March 27 Resolution. The Court of Appeals denied the petition through its *Decision* dated June 21, 2021. My co-respondents' motion for reconsideration was also denied by the Court of Appeals through its *Resolution* dated August 18, 2022.

Offense Charged/Investigated	Tribunal or Agency Involved	Status
f. Alleged violation of Article 315(2)(a) of the Revised Penal Code (estafa) – filed in court	Regional Trial Court of Makati, Branch 143 (Criminal Case No. R-MKT-19-01308, titled *People of the Philippines v. Jonathan Dee, et al.*)	This is an offshoot of the case above (*e.g.*, NPS Docket Nos. XV-07-INV-16B-01028 and XV-07-INV-16D-01843). The prosecution filed the *Information* in court after the DOJ, in its March 27 Resolution, found probable cause to charge me and some of my co-respondents with simple estafa. I received information that the Regional Trial Court of Makati, Branch 143 dismissed the case against my co-respondents.

6. I am not an independent director in any of government service/affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **Cityland Development Corporation** of any changes in the abovementioned information within five days from its occurrence.

Done this day of March 21, 2024 at San Francisco, California 94104 USA.

George Edwin SyCip
Affiant

SUBSCRIBED AND SWORN to before me this ________________ at ________________, affiant personally appeared before me and exhibited to me his Passport No. , issued on 07 January 2015 by the US Department of State, U.S.A.

Doc. no. ______;
Page no. ______;
Book no. ______;
Series of 2024.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

Subscribed and sworn to (or affirmed) before me on **March 21, 2024** by ****George Edwin Sycip ****, proved to me on the basis of satisfactory evidence to be the person(s) appeared before me.

ALEXANDRA E. LIOANAG
Notary Public - California
San Francisco County
Commission # 2471091
My Comm. Expires Nov 12, 2027

Alexandra E. Lioanag, Notary Public

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDUARDO C. VILLANUEVA**, Filipino, of legal age and resident of 101 MacArthur Highway Bunlo, Bocaue, Bulacan, after having been duly sworn to in accordance with the law do hereby declare that:

1. I am a nominee for independent director of **Cityland Development Corporation** and have been its independent director since March 10, 2021;

2. I am affiliated with the following companies/organizations:

COMPANY	POSITION	PERIOD OF SERVICE
House of Representatives	Representative, Citizens' Battle Against Corruption (CIBAC) Party-list Chairperson, Committee on Sustainable Development Goals Deputy Speaker for Good Governance and Moral Uprightness of the Philippine Congress	July 2019 to present 2022 to present 2019 to 2022
Jesus Is Lord Church Worldwide	Founder / President & Spiritual Director	1978 to present
Jesus Is Lord Colleges Foundation (JILCF), Inc.	Chancellor	1984 to present
Jesus the Healer Foundation, Inc.	President	June 1990 to present
Philippines for Jesus Movement Foundation, Inc.	Founding National Chairman	March 1990 to present
PJM Foundation, Inc.	Founding National Chairman	February 1995 to present
Bangon Pilipinas National Renewal Movement (Arise Philippines)	Chairman/President	2004 to present
Rural Bank of Batac, Inc.	Stockholder	2016 to present
Agape Foods Corporation	Chairman and President Director	1997 to 2018 2019 to 2021
JV ZOE Agape, Inc.	Chairman and President Director Chairman and President/CEO	2012 to June 2019 July 2019 to 2021 2021 to present
Light TV Ministries Foundation, Inc.	Chairman and President Trustee	2018 to October 2019 November 2019 to present
Cityland, Inc.	Independent Director	September 2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as and Independent Director of **Cityland Development Corporation**, as provided for in Section 38 of the Securities Regulation Code, and its Implementing Rules and Regulations and other SEC issuance;

4. I am not related to any director/officer/substantial shareholder of **Cityland Development Corporation** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
NONE	NONE	NONE

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

Offense - Charged/Investigated	Tribunal or Agency Involved	Status
NONE	NONE	NONE

6. I am not an independent director in any government service/affiliated with a government agency or GOCC;

7. I shall faithfully and diligently comply with my duties and responsibilities as an independent director under the Securities Regulation Code and its Implementing Rules and Regulations Code of Corporate Governance and other SEC issuances; and

8. I shall inform the Corporate Secretary of **Cityland Development Corporation** of any changes in the above mentioned information within five days from its occurrence.

Done this day of APR 29 2024 at PASIG CITY.

Eduardo C. Villanueva
Affiant

SUBSCRIBED AND SWORN to before me this APR 29 2024 at PASIG CITY affiant personally appeared before me and exhibited to me his TIN ID with no. and other competent evidence of identification.

Doc no. 407;
Page no. 83;
Book no. V;
Series of 2024.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31
APPOINTMENT NO
IBP ROLL NO
IBP NO
PTR No

CITYLAND

CITYLAND DEVELOPMENT CORPORATION

CERTIFICATION

I, Josef C. Gohoc, the President of Cityland Development Corporation, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines with SEC Registration No. of 77823 and with principal office address at 2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, on oath state:

1. That I have caused this SEC Form 20-IS (Preliminary Information Statement) to be prepared on behalf of Cityland Development Corporation;

2. That I have read and understood its contents which are true and correct of my own personal knowledge and/or authentic records;

3. That Cityland Development Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD/MSRD.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of April 2024.

Josef C. Gohoc
Affiant

SUBSCRIBE AND SWORN TO before me this day APR 29 2024 at PASIG CITY, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2024
APPOINTMENT NO
IBP ROLL NO
IBP NO
PTR No.

Doc. No. 415
Page No. 84
Book No. V
Series of 2024.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

7	7	8	2	3							

C O M P A N Y   N A M E

C I T Y L A N D   D E V E L O P M E N T
C O R P O R A T I O N   A N D   S U B S I D I A R I E S

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

2/F Cityland Condominium 10
Tower I, 156 H.V. Dela Costa
Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS (2023)	MSRD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
cdc_rg@cityland.net	8-893-6060	0962-072-2479

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
640 (as of December 31, 2023)	1st Tuesday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
RUDY GO	cdc_rg@cityland.net	8-893-6060	0962-072-2479

CONTACT PERSON'S ADDRESS

3/F Cityland Condominium 10, Tower II, 154 H.V. Dela Costa Street, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

The following document has been received:

Receiving: Salvador Baculanta
Receipt Date and Time: April 17, 2024 08:12:47 AM

Company Information

SEC Registration No.: 0000077823
Company Name: CITYLAND DEV. CORP.
Industry Classification: K70120
Company Type: Stock Corporation

Document Information

Document ID: OST10417202482208317
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Consolidated
Remarks: None

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

CITYLAND e-MAIL

FMSD Cityland <fmsd1@cityland.net>

Your BIR AFS eSubmission uploads were received

---

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 2:29 PM
To: FMSD1@cityland.net
Cc: FMSD1@cityland.net

Hi CITYLAND DEVELOPMENT CORPORATION,

Valid files

- EAFS000527103RPTTY122023.pdf
- EAFS000527103TCRTY122023-03.pdf
- EAFS000527103OTHTY122023.pdf
- EAFS000527103ITRTY122023.pdf
- EAFS000527103TCRTY122023-01.pdf
- EAFS000527103AFSTY122023.pdf
- EAFS000527103TCRTY122023-02.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-CCCK5KF703NWVVPZPQNMPPMSZ0B6C8AE8G**
Submission Date/Time: **Apr 15, 2024 02:29 PM**
Company TIN: **000-527-103**

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

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

This is a system-generated e-mail. Please do not reply.

CITYLAND DEVELOPMENT CORPORATION

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

The Management of **Cityland Development Corporation** (the Company) is responsible for the preparation and fair presentation of the consolidated balance sheets as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies and schedules attached therein, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DR. ANDREW I. LIUSON
Chairman of the Board

JOSEF C. GOHOC
President / Chief Executive Officer

RUDY GO
Senior Vice President / Chief Financial Officer

Signed this 20th day of March 2024.

SUBSCRIBED AND SWORN to before me this day of MAR 2 0 2024 MAKATI CITY affiant(s) exhibiting to me their Social Security System Numbers, as follows:

Name	Type of Identification	Number
Dr. Andrew I. Liuson	SSS	
Josef C. Gohoc	SSS	
Rudy Go	SSS	

ATTY. ... ILARBAL
NO... MAKATI CITY
UNTIL ... 31, 2024
APPOINTMENT NO.
IBP ROLL NO.
IBP NO.
PTR No.

Doc No. 381
Page No. 78
Book No. I
Series of 2024.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Cityland Development Corporation
2/F, Cityland Condominium 10, Tower I
156 H.V. de la Costa Street
Makati City

Opinion

We have audited the consolidated financial statements of Cityland Development Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2023 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the input method as the measure of progress in determining real estate revenue; and (3) estimation of the total project cost.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the historical sales cancellations and forfeitures, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the input method. Under this method, progress is measured based on actual costs incurred relative to the estimated total project cost. In the estimation of total project costs, the Group estimates all the inputs involved in the construction and development of the projects to include materials, labor and other costs directly related in the construction of the projects.

The disclosures related to the real estate revenue are included in Notes 2, 3 and 6 to the financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting schedules and documents such as past due report, history of payments and forfeiture slips.

For the application of the input method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated development costs, and performed tests of the relevant controls on these processes. We assessed the competence, capabilities and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced the accumulated incurred costs to the supporting documents such as contractors' and suppliers' invoices and receipts. For the estimation of total project costs, we obtained an understanding of the Group's budgeting process and, on a sampling basis, performed test of details for the inputs for each of the major project development workstream. We performed a look-back analysis for both ongoing and fully completed projects in current and prior years. We visited all the ongoing and completed project sites in 2023, made relevant inquiries with project engineers and correlated our observations with the reported project accomplishment. We performed test computation of the POC calculation of management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A or Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A or Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Manolito R. Elle.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle

Manolito R. Elle
Partner
CPA Certificate No. 106471
Tax Identification No. 220-881-929
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079932, January 5, 2024, Makati City

March 20, 2024

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱685,887,140**	₱1,106,544,817
Short-term investments (Note 4)	**1,131,400,000**	668,700,000
Current portion of:		
Installment contracts receivable (Note 6)	**16,433,171**	13,268,932
Contract assets (Note 6)	**654,289,571**	496,710,264
Cost to obtain contract (Note 6)	**717,790**	16,976,511
Notes receivable (Note 7)	**1,252,000,000**	1,031,000,000
Investments in trust funds (Note 5)	**2,870,130**	9,196,033
Other receivables (Note 8)	**73,934,896**	68,676,913
Real estate properties for sale (Note 9)	**4,773,833,259**	4,399,033,169
Other current assets (Note 12)	**107,020,598**	143,081,677
Total Current Assets	**8,698,386,555**	7,953,188,316
Noncurrent Assets		
Installment contracts receivable - net of current portion (Note 6)	**25,666,335**	15,479,329
Long-term investments (Note 4)	**100,000,000**	200,000,000
Contract assets - net of current portion (Note 6)	**1,553,867,706**	1,978,170,036
Cost to obtain contract - net of current portion (Note 6)	**5,023,133**	–
Notes receivable - net of current portion (Note 7)	**–**	100,000,000
Investments in trust funds - net of current portion (Note 5)	**34,080,497**	25,039,321
Other receivables - net of current portion (Note 8)	**840,277**	712,197
Real estate properties held for future development (Note 10)	**377,771,910**	376,574,395
Investment properties (Note 10)	**2,645,229,164**	2,412,409,565
Property and equipment (Note 11)	**76,161,811**	57,805,979
Net retirement plan assets (Note 23)	**5,877,044**	17,676,384
Other noncurrent assets (Note 12)	**364,743,642**	340,887,340
Total Noncurrent Assets	**5,189,261,519**	5,524,754,546
TOTAL ASSETS	**₱13,887,648,074**	₱13,477,942,862
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 13)	**₱401,486,977**	₱711,450,060
Current portion of contract liabilities (Note 6)	**10,704,561**	279,143,653
Notes and contracts payable (Note 14)	**1,237,556,450**	1,133,399,400
Income tax payable	**45,271,825**	25,624,815
Current portion of pre-need and other reserves (Note 5)	**1,115,430**	822,843
Total Current Liabilities	**1,696,135,243**	2,150,440,771
Noncurrent Liabilities		
Accounts payable and accrued expenses - net of current portion (Note 13)	**299,152,865**	246,302,365
Contract liabilities - net of current portion (Note 6)	**38,662,390**	–
Pre-need and other reserves - net of current portion (Note 5)	**22,822,951**	23,192,535
Net retirement benefits liability (Note 23)	**3,569,282**	3,769
Deferred income tax liabilities - net (Note 24)	**237,182,561**	215,637,818
Total Noncurrent Liabilities	**601,390,049**	485,136,487
Total Liabilities	**2,297,525,292**	2,635,577,258

(*Forward*)

	December 31	
	2023	2022
Equity		
Attributable to Equity Holders of the Parent Company		
Capital stock - ₱1 par value (Note 15)		
Authorized - 5,000,000,000 shares in 2023 and 2022		
Issued - 4,978,437,272 shares and 4,857,059,542 shares held by 640 and 638 equity holders as of December 31, 2023 and 2022, respectively	**₱4,978,437,272**	₱4,857,059,542
Additional paid-in capital	**7,277,651**	7,277,651
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	**7,633,682**	219,838
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect (Note 23)	**(21,072,310)**	(10,419,993)
Retained earnings (Note 15)	**5,223,093,820**	4,605,054,050
Treasury stock - at cost (Note 15)	**(31,429,574)**	(31,429,574)
	10,163,940,541	9,427,761,514
Non-controlling interests (Note 16)	**1,426,182,241**	1,414,604,090
Total Equity	**11,590,122,782**	10,842,365,604
TOTAL LIABILITIES AND EQUITY	**₱13,887,648,074**	₱13,477,942,862

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE AND INCOME			
Sales of real estate properties (Note 6)	**₱2,177,856,699**	₱2,556,337,564	₱1,291,736,395
Financial income (Note 20)	**505,718,410**	383,203,120	380,932,836
Rent income (Note 10)	**219,785,579**	188,581,479	183,742,910
Other income - net (Note 22)	**133,791,181**	257,667,356	121,727,810
	3,037,151,869	3,385,789,519	1,978,139,951
COSTS AND EXPENSES			
Costs of real estate sales (Note 9)	**(1,180,078,929)**	(1,188,728,457)	(648,939,898)
Operating expenses (Note 17)	**(608,726,462)**	(577,440,550)	(490,790,729)
Financial expenses (Note 21)	**(3,606,843)**	(3,204,377)	(2,408,933)
	(1,792,412,234)	(1,769,373,384)	(1,142,139,560)
INCOME BEFORE INCOME TAX	**1,244,739,635**	1,616,416,135	836,000,391
PROVISION FOR INCOME TAX (Note 24)	**(280,498,536)**	(378,191,838)	(162,853,416)
NET INCOME	**₱964,241,099**	₱1,238,224,297	₱673,146,975
Attributable to:			
Equity holders of the Parent Company	**₱882,560,366**	₱1,030,402,598	₱585,051,684
Non-controlling interests (Note 16)	**81,680,733**	207,821,699	88,095,291
	₱964,241,099	₱1,238,224,297	₱673,146,975
BASIC/DILUTED EARNINGS PER SHARE (Note 28)	**₱0.18**	₱0.21	₱0.12

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱964,241,099**	₱1,238,224,297	₱673,146,975
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity securities at FVOCI	**7,274,989**	(290,432)	101,219
Re-measurement gain (loss) on defined benefit plan, net of income tax effect (Notes 23 and 24)	**(12,809,315)**	2,229,599	7,489,561
	(5,534,326)	1,939,167	7,590,780
TOTAL COMPREHENSIVE INCOME	**₱958,706,773**	₱1,240,163,464	₱680,737,755
Attributable to:			
Equity holders of the Parent Company	**₱879,321,893**	₱1,031,733,409	₱591,696,794
Non-controlling interests (Note 16)	**79,384,880**	208,430,055	89,040,961
	₱958,706,773	₱1,240,163,464	₱680,737,755

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 15)	Additional Paid-in Capital	Unrealized Fair Value Changes on Financial Assets at FVOCI (Note 12)	Accumulated Re-measurement Loss on Defined Benefit Plan - Net of Deferred Income Tax Effect (Note 23)	Retained Earnings (Note 15)	Treasury Stock (Note 15)	Subtotal	Non-controlling Interests (Note 16)	Total
BALANCES AT DECEMBER 31, 2020	₱4,625,863,627	₱7,277,651	₱409,394	(₱18,585,470)	₱3,423,080,529	(₱31,429,574)	₱8,006,616,157	₱1,149,400,774	₱9,156,016,931
Net income	–	–	–	–	585,051,684	–	585,051,684	88,095,291	673,146,975
Other comprehensive income	–	–	37,109	6,608,001	–	–	6,645,110	945,670	7,590,780
Total comprehensive income	–	–	37,109	6,608,001	585,051,684	–	591,696,794	89,040,961	680,737,755
Declaration and issuance of stock dividends - 5.0%	231,195,915	–	–	–	(231,195,915)	–	–	–	–
Fractional shares	–	–	–	–	(369)	–	(369)	–	(369)
Cash dividends - ₱0.0212 per share	–	–	–	–	(98,027,221)	–	(98,027,221)	–	(98,027,221)
Dividends received by CPI from CDC	–	–	–	–	57,169	–	57,169	–	57,169
Cash dividends declared by CLDI	–	–	–	–	–	–	–	(10,019,095)	(10,019,095)
Dividends received by CPI from CLDI	–	–	–	–	–	–	–	173,272	173,272
Impact of CREATE Law on the deferred tax liability recognized in retained earnings - deemed cost adjustment (Note 24)	–	–	–	–	3,406,413	–	3,406,413	–	3,406,413
BALANCES AT DECEMBER 31, 2021	₱4,857,059,542	₱7,277,651	₱446,503	(₱11,977,469)	₱3,682,372,290	(₱31,429,574)	₱8,503,748,943	₱1,228,595,912	₱9,732,344,855
BALANCES AT DECEMBER 31, 2021	₱4,857,059,542	₱7,277,651	₱446,503	(₱11,977,469)	₱3,682,372,290	(₱31,429,574)	₱8,503,748,943	₱1,228,595,912	₱9,732,344,855
Net income	–	–	–	–	1,030,402,598	–	1,030,402,598	207,821,699	1,238,224,297
Other comprehensive income (loss)	–	–	(226,665)	1,557,476	–	–	1,330,811	608,356	1,939,167
Total comprehensive income (loss)	–	–	(226,665)	1,557,476	1,030,402,598	–	1,031,733,409	208,430,055	1,240,163,464
Cash dividends - ₱0.0222 per share	–	–	–	–	(107,783,696)	–	(107,783,696)	–	(107,783,696)
Dividends received by CPI from CDC	–	–	–	–	62,858	–	62,858	–	62,858
Cash dividends declared by CLDI	–	–	–	–	–	–	–	(22,816,472)	(22,816,472)
Dividends received by CPI from CLDI	–	–	–	–	–	–	–	394,595	394,595
BALANCES AT DECEMBER 31, 2022	₱4,857,059,542	₱7,277,651	₱219,838	(₱10,419,993)	₱4,605,054,050	(₱31,429,574)	₱9,427,761,514	₱1,414,604,090	₱10,842,365,604

	Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 15)	Additional Paid-in Capital	Unrealized Fair Value Changes on Financial Assets at FVOCI (Note 12)	Accumulated Re-measurement Loss on Defined Benefit Plan - Net of Deferred Income Tax Effect (Note 23)	Retained Earnings (Note 15)	Treasury Stock (Note 15)	Subtotal	Non-controlling Interests (Note 16)	Total
BALANCES AT DECEMBER 31, 2022	**₱4,857,059,542**	**₱7,277,651**	**₱219,838**	**(₱10,419,993)**	**₱4,605,054,050**	**(₱31,429,574)**	**₱9,427,761,514**	**₱1,414,604,090**	**₱10,842,365,604**
Net income	–	–	–	–	**882,560,366**	–	**882,560,366**	**81,680,733**	**964,241,099**
Other comprehensive income (loss)	–	–	**7,413,844**	**(10,652,317)**	–	–	**(3,238,473)**	**(2,295,853)**	**(5,534,326)**
Total comprehensive income (loss)	–	–	**7,413,844**	**(10,652,317)**	**882,560,366**	–	**879,321,893**	**79,384,880**	**958,706,773**
Cash dividends - ₱0.0295 per share	–	–	–	–	**(143,226,084)**	–	**(143,226,084)**	–	**(143,226,084)**
Stock dividends - 2.5%	**121,377,730**	–	–	–	**(121,377,730)**	–	–	–	–
Fractional shares	–	–	–	–	**(310)**	–	**(310)**	–	**(310)**
Dividends received by CPI from CDC	–	–	–	–	**83,528**	–	**83,528**	–	**83,528**
Cash dividends declared by CLDI	–	–	–	–	–	–	–	**(69,000,034)**	**(69,000,034)**
Dividends received by CPI from CLDI	–	–	–	–	–	–	–	**1,193,305**	**1,193,305**
BALANCES AT DECEMBER 31, 2023	**₱4,978,437,272**	**₱7,277,651**	**₱7,633,682**	**(₱21,072,310)**	**₱5,223,093,820**	**(₱31,429,574)**	**₱10,163,940,541**	**₱1,426,182,241**	**₱11,590,122,782**

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱1,244,739,635**	₱1,616,416,135	₱836,000,391
Adjustments for:			
Interest income (Note 20)	**(505,703,449)**	(383,181,846)	(380,914,573)
Depreciation (Note 19)	**58,323,214**	57,854,509	60,187,927
Interest expense - net of amounts capitalized (Note 21)	**1,711,589**	1,647,379	1,497,008
Retirement benefits costs (Note 23)	**3,776,932**	4,363,660	5,608,464
Trust fund income (Notes 5 and 22)	**(4,583,069)**	(437,236)	(832,463)
Interest expense - lease liabilities (Note 21)	**680,313**	207,967	368,475
Dividend income (Note 20)	**(14,961)**	(21,274)	(18,263)
Operating income before working capital changes	**798,930,204**	1,296,849,294	521,896,966
Decrease (increase) in:			
Installment contracts receivable	**(13,351,245)**	10,300,077	14,547,426
Contract assets	**266,723,023**	(673,073,198)	13,797,523
Cost to obtain contract	**11,235,588**	8,032,796	7,067,337
Other receivables	**7,651,448**	(15,830,601)	2,028,905
Real estate properties for sale	**(370,573,763)**	106,187,530	(455,343,353)
Other assets	**35,843,987**	(149,759,699)	6,271,399
Increase (decrease) in:			
Accounts payable and accrued expenses	**(267,914,951)**	139,660,958	190,388,952
Contract liabilities	**(229,776,702)**	(144,987,001)	(88,306,757)
Pre-need and other reserves	**(76,998)**	(12,674,780)	(4,789,207)
Cash generated from operations	**238,690,591**	564,705,376	207,559,191
Interest received	**492,665,938**	374,959,366	377,968,554
Income taxes paid, including creditable and final withholding taxes	**(234,267,063)**	(267,141,789)	(114,676,334)
Contributions to the plan (Note 24)	**(5,491,166)**	(1,858,854)	(1,858,854)
Net cash flows from operating activities	**491,598,300**	670,664,099	468,992,557
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Note 10)	**(249,017,966)**	(817,963,635)	(820,413)
Property and equipment (Note 11)	**(9,989,285)**	–	(519,758)
Real estate properties held for future development	**(1,197,515)**	(454,570)	(24,590,064)
Proceeds from matured (purchase of):			
Investments (Note 4)	**(362,700,000)**	603,805,733	(520,265,744)
Financial assets at FVOCI (Note 12)	**(180,007,500)**	–	–
Notes receivable (Note 7)	**(121,000,000)**	(129,553,544)	(1,001,446,456)
Proceeds from guaranty deposits (Note 12)	**162,850,000**	–	–
Withdrawals from investments in trust funds (Note 5)	**1,891,127**	9,140,959	2,595,931
Dividends received (Note 20)	**14,961**	21,274	18,263
Contributions to investments in trust fund (Note 5)	**–**	(3,610,130)	(4,812,773)
Net cash flows used in investing activities	**(759,156,178)**	(338,613,913)	(1,549,841,014)

(*Forward*)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of notes payable (Note 14)	**₱5,412,760,528**	₱6,690,600,553	₱5,468,950,000
Payments of notes payable (Note 14)	**(5,347,610,528)**	(6,513,950,553)	(5,602,250,000)
Dividends paid (Note 13)	**(211,491,438)**	(128,025,721)	(106,687,727)
Payment of lease liabilities (Note 13)	**(5,138,343)**	(5,055,158)	(4,545,444)
Interest paid (Notes 13 and 14)	**(1,620,018)**	(1,519,429)	(1,566,159)
Net cash flows from (used in) financing activities	**(153,099,799)**	42,049,692	(246,099,330)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(420,657,677)**	374,099,878	(1,326,947,787)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,106,544,817**	732,444,939	2,059,392,726
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱685,887,140**	₱1,106,544,817	₱732,444,939

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Cityland Development Corporation (the Parent Company) was incorporated in the Philippines on January 31, 1978. It has two subsidiaries, Cityplans, Incorporated (CPI) and City & Land Developers, Incorporated (CLDI), a publicly listed company, which are all incorporated and domiciled in the Philippines. The primary purpose of the Parent Company and CLDI is to acquire, develop, improve, subdivide, cultivate, lease, sublease, sell, exchange, barter and/or dispose of agricultural, industrial, commercial, residential and other real properties, as well as to construct, improve, lease, sublease, sell and/or dispose of houses, buildings and other improvements thereon, and to manage and operate subdivisions and housing projects or otherwise engage in the financing and trading of real estate. CPI is engaged in the business of establishing, organizing, developing, maintaining, conducting, operating, marketing and selling pension plans. The Parent Company is 50.98%-owned by Cityland, Inc. (CI), the ultimate parent company incorporated in the Philippines, which also prepares consolidated financial statements.

The Parent Company's registered office and principal place of business is 2/F Cityland Condominium 10 Tower I, 156 H. V. Dela Costa Street, Makati City.

The consolidated financial statements of the Parent Company and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were authorized for issuance by the Board of Directors (BOD) on March 20, 2024.

2. Summary of Material Accounting Policy Information

<u>Basis of Preparation</u>
The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and investment properties included in the investments in trust funds account, that have been measured at fair values. These consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company's functional and presentation currency. All values are rounded to the nearest Peso except when otherwise indicated.

The consolidated financial statements have been prepared under the going concern assumption.

<u>Statement of Compliance</u>
The Group's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) as modified by the application of the following financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) in response to the COVID-19 pandemic:

- *Deferral of the provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry*

    a. Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04); and
    b. Treatment of land in the determination of the percentage-of-completion (POC).

Item b was already implemented by the Group prior to the issuance of the PIC Q&A 2018-12 and the Group continued its accounting treatment despite the deferral mentioned.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) for the Real Estate Industry*

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

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

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

  The amendments had no impact on the consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 8.

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

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

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

The amendments had no impact on the consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 12.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

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

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

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

Basis of Consolidation
The consolidated financial statements consist of the financial statements of the Parent Company and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

The percentage of ownership of the Parent Company in these subsidiaries as of December 31, 2023 and 2022 are as follows:

	Percentage of Ownership	Nature of Activity
CPI	90.81	Pre-need pension plans
CLDI	49.73	Real estate

The registered office and principal place of business of CLDI is 3/F Cityland Condominium 10 Tower I, 156 H. V. Dela Costa Street, Makati City. On the other hand, the registered office and principal address of CPI is at 3/F Cityland Condominium 10, Tower 2, 154 H.V. Dela Costa St., Salcedo Village, Makati City.

A subsidiary is an entity that is controlled by the Parent Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee
  the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Parent Company's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill, if any), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling Interests
Non-controlling interests represent the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statements of income, consolidated statements of comprehensive income and within the equity section of the consolidated statements of financial position, separate from the Parent Company's equity.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Financial Assets</u>
Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Installment contract receivables and contract assets are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, short-term and long-term investments, installment contracts receivable, contract assets, notes receivable, other receivables and deposits under "Other noncurrent assets".

Financial assets at FVOCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

(a) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and sell the financial asset; and
(b) Selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statements of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As of December 31, 2023 and 2022, the Group's investment in trust fund has debt instruments at FVOCI.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of income.

The Group's investments in trust fund have financial assets at fair value through profit or loss as of December 31, 2023 and 2022.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statements of financial position) when:

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

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

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

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

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

For installment contract receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include accounts payable and accrued expenses, and notes and contract payable.

Subsequent measurement

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

Loans and borrowings

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

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Investments in Trust Funds

The trust fund assets and liabilities are recognized in accordance with the provisions of the applicable PAS and PFRSs and their interpretations.

Investments in trust funds are restricted to cover the CPI's pre-need reserves. These are classified as current assets to the extent of the currently maturing pre-need reserves. The remaining portion is classified as noncurrent assets in the consolidated statements of financial position.

Real Estate Properties for Sale

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

Cost includes:

- Land cost
- Amounts paid to contractors for construction
- Borrowing costs directly attributable to the acquisition, development and construction of real estate projects
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs to complete and the estimated costs necessary to make the sale. The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Upon repossession, real estate properties for sale arising from sale cancellations and forfeitures are measured at fair value less estimated costs to make the sale. Any resulting gain or loss is credited or charged to “Other income - net” in the consolidated statements of income.

Real Estate Properties Held for Future Development and Investment Properties

Real estate properties held for future development and investment properties, which represent real estate properties for capital appreciation and for lease, are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the property. The carrying values of revalued properties transferred to investment properties on January 1, 2004 were considered as the assets’ deemed cost as of said date.

Subsequent to initial measurement, real estate properties held for future development and investment properties, except land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. Buildings for lease are depreciated over their useful life of 25 years while the building improvements are depreciated over their useful life of 5 to 15 years or the remaining useful life of the building using the straight-line method.

Real estate properties held for future development and investment properties are derecognized when either they have been disposed of or when the property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to real estate properties held for future development and investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from real estate properties held for future development and investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Transfers between real estate properties for future development and investment properties, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Construction in progress is stated at cost. This includes costs of construction and other direct costs related to the investment property being constructed. Construction in progress is not depreciated until such time when the relevant assets are complete and ready for use. When such construction is completed and assets are ready for use, the costs of the said assets are transferred to specific classification under "Investment properties" account.

Property and Equipment

The Group's property and equipment consist of land, building, equipment and right-of-use assets that do not qualify as real estate properties for future development and investment properties.

Property and equipment, except for office premises, are stated at cost less accumulated depreciation and any impairment in value. Office premises are stated at appraised values (asset's deemed cost) as determined by SEC-accredited and independent firms of appraisers at the date of transition to PFRSs, less accumulated depreciation and any impairment in value. Subsequent additions to office premises are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of the purchase price and any directly attributable cost of bringing the assets to their working condition and location for their intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance costs, are normally charged to the consolidated statements of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation of an item of property and equipment begins when the asset becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

Depreciation is computed using the straight-line method over the estimated useful lives of the properties as follows:

	Years
Building	25
Office premises	25
Furniture, fixtures and office equipment	5-15
Transportation and other equipment	5

The assets' useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are sold or retired, the cost and related accumulated depreciation and any impairment in value are removed from the accounts, and any gains or losses from their disposal is included in the consolidated statements of income.

The Group's property and equipment consist of land, building, equipment and right-of-use assets that do not qualify as investment properties.

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs.

It is the Group's policy to classify right-of-use assets as part of property and equipment. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Impairment of Nonfinancial Assets

The carrying values of real estate properties held for future development, investment properties and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are either written down to their recoverable amount or provided with valuation allowance. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Impairment losses, if any, are recognized in the consolidated statements of income.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Group assesses at each reporting period whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Group considers external and internal sources of information in its assessment of the reversal of previously recognized impairment losses. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Value-added Tax (VAT)
Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statements of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from or payable to, the taxation authority is included as part of "Other current assets" or "Accounts payable and accrued expenses," respectively, in the consolidated statements of financial position.

Pre-Need Reserves (PNR)
PNR for pension plans are calculated on the basis of the methodology and assumptions set out in Pre-Need Rule 31, as Amended, as follows:

- The amount of provision is the present value of the funding expected to be required to settle the obligation with due consideration of the different probabilities as follows:

  i. Provision for termination values applying the inactivity and surrender rate experience of CPI.
  ii. The liability is equivalent to the present value of future maturity benefits reduced by the present value of future trust fund contributions required per Product Model discounted at the lower of attainable rate or discount rate provided by the Insurance Commission (IC) for SEC-approved plans and the pricing discount rate for IC-approved plans.

- The rates of surrender, cancellation, reinstatement, utilization, and inflation considered the actual experience of CPI in the last three years.

- The computation of the foregoing assumptions has been validated by the internal qualified actuary of CPI.

- Based on CPI's experience, the probability of pre-termination or surrender of fully paid plans is below 5% and therefore considered insignificant. The derecognition of liability shall be recorded at pre-termination date.

In 2023 and 2022, CPI follows IC Circular Letter No. 23-2012 dated November 28, 2012 which sets the guidelines below for the discount rate to be used in the valuation of PNR:

- Discount interest rate for the PNR

  The transitory discount interest rate per year shall be used in the valuation of PNR shall not exceed the lower of the attainable rates as certified by the trustee banks and the following rates below:

Year	Discount interest rate
2012 - 2016	8.00%
2017	7.25%
2018	6.50%
2019 and onwards	6.00%

- Transitory PNR (TPNR)

  In effecting the transition in the valuation of reserves for old basket of plans, the IC shall prescribe a PNR with a maximum transition period of 10 years.

  For each of the pre-need plan categories, the TPNR shall be computed annually on the old basket of plans outstanding at the end of each year from 2012 to 2022 using the discount interest rates provided above. If the actual trust fund balance is higher than or equal to the resulting PNR then the liability setup shall be the PNR.

  However, if the resulting PNR is greater than the actual trust fund balance at the end of the year, TPNR shall be computed.

  The actual trust fund balance shall be the trust fund balance at the end of the year net of any receivables by CPI from the trustee for the contractual benefits outstanding as of the end of the year.

  The TPNR liability shall be recognized each year. As of December 31, 2023 and 2022, CPI's actual trust fund balance is lower than the resulting PNR (see Note 5).

Other reserves
CPI sets up other provisions in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to cover obligations such as Insurance Premium Reserves (IPR), pension bonus, and trust fund deficiency.

Unless the IC shall so specifically require, CPI may, at its option, set up other provisions as a prudent measure.

Capital Stock
Capital stock is measured at par value for all shares issued and outstanding. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings
Retained earnings represent the cumulative balance of net income or loss, dividend distributions, effects of changes in accounting policy and other capital adjustments.

Unappropriated retained earnings represent that portion of retained earnings which can be declared as dividends to stockholders after adjustments for any unrealized items which are considered not available for dividend declaration. Appropriated retained earnings represent that portion of retained earnings which has been restricted and therefore is not available for any dividend declaration.

The retained earnings include deemed cost adjustments on real estate properties for sale, investment properties and property and equipment that arose when the Group transitioned to PFRSs in 2005. The deemed cost adjustment will be realized through depreciation in profit or loss for depreciable assets (property and equipment and investment properties) and through sale for inventories (classified under real estate properties for sale) and land (classified under investment properties). The deferred income tax liability on deemed cost adjustments on investment properties, property and equipment and inventories sold under Income Tax Holiday (ITH) projects is transferred to retained earnings upon realization while the deferred income tax liability on deemed cost adjustments on inventories sold under regular tax regime is transferred to consolidated statements of income upon sale.

Dividend distributions
Cash dividends on common shares are deducted from retained earnings upon declaration by the BOD.

Stock dividends on common shares are measured based on the total par value of declared stock dividend. Stock dividends are deducted from retained earnings when the BOD's declaration is ratified by the stockholders of the Group and the increase for authorized capital stock is approved by the SEC in cases of stock dividends issued to cover an increase in authorized capital stock. Unissued stock dividends are recorded as "Stock dividends distributable" and credited to "Capital stock" upon issuance.

Dividends for the year that are declared after the end of the reporting period but before the approval for issuance of consolidated financial statements are dealt with as an event after the reporting period.

Treasury Stock
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

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

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

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

Revenue from sales of completed real estate properties and undeveloped land is recognized when control of the goods is transferred to the customer.

In measuring the progress of its performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the buyer.

If the criteria for revenue recognition are not satisfied, any cash received by the Group is recorded as part of "Rental and customers' deposits" account which is included under "Accounts payable and accrued expenses" in the consolidated statement of financial position until all the conditions for recognizing the sale are met.

Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Any excess of progress of work over the right to an amount of consideration is recorded either as installment contracts receivable (unconditional) or contract asset (conditional) while the excess of collection over progress of work is recorded as contract liability.

Any excess of collections over the total of recognized installment contracts receivable is included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Sales of real estate properties (CPI)
CPI derives its revenue from sale of condominium units. Revenue from the sale of these real estate projects is recognized at a point in time when control of the asset is transferred to the buyer, generally when the condominium units are delivered to and accepted by the buyer. The payment is collectible in monthly installments for periods ranging from 1 to 10 years.

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

Costs of real estate sales is recognized consistent with the revenue recognition method applied. Cost of real estate properties sold before completion is determined using the POC used for revenue recognition applied on the acquisition cost of the land plus the total estimated development costs of the property.

In addition, the entities recognize as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

The cost of inventory recognized in profit or loss on disposal (costs of real estate sales) is determined with reference to the specific and allocated costs incurred on the sold property taking into account the POC. The costs of real estate sales also include the estimated development costs to complete the real estate property, as determined by independent project engineers, and taking into account the POC. The accrued development costs account is presented under "Accounts payable and accrued expenses" in the consolidated statements of financial position.

Any changes in estimated development costs used in the determination of the amount of revenue and expenses are recognized in consolidated statements of income in the period in which the change is made.

Costs of real estate sales (CPI)
CPI recognizes costs relating to satisfied performance obligations as these are incurred.

<u>*Contract Balances*</u>
Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the buyer. If the entities perform by transferring goods or services to a buyer before the buyer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a buyer for which the entities have received consideration (or an amount of consideration is due) from the buyer. If a buyer pays consideration before the entities transfer goods or services to the buyer, a contract liability is recognized when the payment is made or payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the entities perform under the contract.

Costs to obtain contract
The incremental costs of obtaining a contract with a buyer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Operating expenses" account in the consolidated statements of income.

Costs incurred prior to obtaining contract with buyer are not capitalized but are expensed as incurred.

Amortization and derecognition of capitalized costs to obtain a contract
CDC and CLDI amortize capitalized costs to obtain a contract to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within operating expenses.

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

Sales of pre-need plans
Premiums from sale of pre-need plans, included under "Other income - net" account in the consolidated statements of income are recognized as earned when collected.

Cost of contracts issued
This account pertains to (a) the increase or decrease in PNR as at the current year as compared to the provision for the same period of the previous year; (b) amount of trust funds contributed during the year including any trust fund deficiency; and (c) documentary stamp tax and SEC registration fees.

If there is a decrease in the PNR as a result of new information or developments, the amount shall be deducted from the cost of contracts issued in the current period. In case of material prior period errors, the requirements of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, shall be complied with by CPI.

Interest Income
Interest income from cash in banks, cash equivalents and short-term and long-term investments, installment contracts receivable, contract assets, guaranty deposits and notes receivable is recognized as the interest accrues taking into account the effective yield on interest.

Dividend Income
Dividend income is recognized when the Group's right to receive the payment is established.

Trust Fund Income
Trust fund income mainly pertains to rental income on investment properties under the trust fund account, as well as, trading gains and losses from buying and selling and changes in fair value of financial assets and financial liabilities categorized upon initial recognition as at fair value through profit or loss investments under the trust fund account.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. It constitutes that the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of office space and transportation equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. The Group does not have any lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Operating leases - Group as a lessor
Operating leases represent those leases under which substantially all the risks and rewards of ownership of the leased assets remain with the lessors. Rent income from operating leases is recognized as income when earned on a straight-line basis over the term of the lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term.

In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income.

Financial Expenses
Financial expenses consist of interest incurred on notes payable. Interest attributable to a qualifying asset is capitalized as part of the cost of the asset while others are expensed as incurred.

Interest costs are capitalized if they are directly attributable to the acquisition, development and construction of real estate projects as part of the cost of such projects. Capitalization of interest cost (1) commences when the activities to prepare the assets for their intended use are in progress and expenditures and interest costs are being incurred, (2) is suspended during extended periods in which active development is interrupted, and (3) ceases when substantially all the activities necessary to prepare the assets for their intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Retirement Benefits Cost
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Retirement benefits cost comprises the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statements of income.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the consolidated statements of comprehensive income in the period in which they arise.

Re-measurements are not reclassified to the consolidated statements of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are earned by the employees. The undiscounted liability for leave expected to be settled within 12 months after the end of the reporting period is recognized for services rendered by employees up to the end of the reporting period.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statements of income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the effective future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Income Taxes

Current income tax

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

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability under "Income tax payable" account in the consolidated statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset under "Other current assets" account in the consolidated statement of financial position.

Deferred income tax

Deferred income tax is recognized on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except (a) where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred income tax assets and deferred income tax liabilities are not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and those directly in comprehensive income such as re-measurement of defined benefit plan are recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 29 to the consolidated financial statements. The Group's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

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

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

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

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

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group does not expect that the amendments will have a significant impact on its financial statements.

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

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  The Group has no sale and leaseback transaction.

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

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

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

  The Group has no supplier-finance arrangements, thus, the impact is not material to the consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The Group has assessed that the impact of this standard is not material to the consolidated financial statements.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

  The Group does not expect that the amendments will have a significant impact on its consolidated financial statements.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures. The amendments have no impact to the Group.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

In the opinion of management, these consolidated financial statements reflect all adjustments necessary to present fairly the results for the period presented. Actual results could differ from such estimates.

Judgments

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

Consolidation of CLDI in which the Group holds less than a majority of voting right (de facto control)
The Group consolidates the accounts of CLDI since it considers that it controls CLDI even though it owns less than 50% of voting interest. The factors that the Group considered in making this determination include the size of its block of voting shares and the relative size and dispersion of holdings by other stockholders. The Group is the single largest shareholder of CLDI with 49.73% equity interest. The Parent Company, some of its stockholders and affiliates (whose stockholders also own equity ownership in the Parent Company) collectively own more than 50% of the equity of CLDI giving the Parent Company effective control over CLDI.

Management has determined that it has control by virtue of its power to cast the majority of votes at meetings of the BOD in all of its subsidiaries.

Revenue recognition
Selecting the appropriate revenue recognition method for a particular real estate transaction requires certain judgments based on the following, among others:

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

   In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will be able to collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the buyer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the buyer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as the credit standing and financial capacity of the buyer, age and location of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before commencing revenue recognition.

b. *Revenue recognition method and measure of progress*
   The Group, except for CPI, concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use; and (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the buyer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the buyer is contractually obliged to make payments to the developer up to the performance completed to date.

   The Group, except for CPI, has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the buyer.

c. *Identifying performance obligation*
   The Group has various contracts to sell covering its sale of condominium units and other real estate properties. The Group concluded that there is one performance obligation in each of these contracts because it has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. For the sale of real

estate properties such as raw land, the Group integrates certain activities to the said property to be able to deliver the guaranteed property based on the contract with the buyer. Included also in this performance obligation is the Group's service is to transfer the title of the real estate unit to the buyer.

d. *Principal versus agent considerations*
The contract for the Group's buildings for lease includes the right to charge for the electricity usage, water usage, air conditioning charges and common use service area (CUSA) like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the commitment of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the provision of air conditioning and services in the CUSA, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses and the party responsible to provide proper ventilation and air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air conditioning charges.

Distinction between investment properties (real estate properties held for lease or for capital appreciation) and property and equipment
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Property and equipment generate cash flows that are attributable not only to the property but also to the other assets used for administrative purposes.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Distinction between real estate properties for sale and investment properties (real estate properties held for lease or for capital appreciation) or real properties held for future development
The Group determines whether a property is classified as for sale, for lease or for capital appreciation. Real estate properties, which the Group develops and intends to sell within the normal operating cycle, are classified as real estate properties for sale.

Real estate properties which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment properties. On the other hand, real estate held for future development pertain to properties retained by the Group as part of its strategic land banking activities, and there is no concrete plan yet on the development of the properties.

Determination of impairment indicators on real estate properties held for future development, investment properties and property and equipment
The Group determines whether its nonfinancial assets such as real estate properties held for future development, investment properties and property and equipment are impaired when impairment indicators exist such as significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. When an impairment indicator is noted, the Group makes an estimation of the value-in-use of the cash-generating units to which the assets belong. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows.

Lease modification - the Group as a lessor
Throughout the government-imposed community quarantine, the Group waived rentals and offered deferral of payments to certain tenants. Such rental waivers and deferrals are accounted as a lease modification under PFRS 16 since impact of COVID-19 pandemic is not contemplated by the parties upon inception of the lease contracts.

Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Measuring the progress of performance obligation over time and application of input method as the measure of progress in determining the real estate revenue
The measurement of progress for revenue recognition requires management to make use of estimates and assumptions. The Group's real estate sales is based on the POC method measured principally on the basis of total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total estimated development cost of the project. Estimated development costs of the project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. The estimated development costs are prepared by the Group's project engineers and are independently reviewed by the Group's third-party independent project engineers. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

The amounts of sales of real estate properties are disclosed in Note 6 while the amounts of costs of real estate sales are disclosed in Note 9.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The information about the Group's lease liabilities are disclosed in Note 13.

Provision for expected credit losses of installment contract receivables and contract assets
The Group uses a provision matrix to calculate ECLs for installment contract receivables and contract assets. The provision rates are based on past collection history and other factors, which include, but are not limited to the length of the Group's relationship with the buyer, the buyer's payment behavior and known market factors that affect the collectability of the accounts.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as the inflation rate, gross domestic product, interest rate and unemployment rate. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions, gross domestic product (GDP), and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of buyer's actual default in the future. The information about the ECLs on the Group's installment contracts receivable and contract assets is disclosed in Note 26.

No impairment of receivables was recognized in 2023, 2022 and 2021 (see Notes 6, 7 and 8).

There was no provision for ECL on receivables in 2023 and 2022. As of December 31, 2023 and 2022, the carrying amounts of installment contracts receivable, contract assets and other receivables are disclosed in Notes 6, 7 and 8.

Determination of net realizable value of real estate properties for sale and held for future development
The Group's estimates of net realizable value of real estate properties for sale and held for future development are based on the most reliable evidence available at the time the estimates are made, or the amount that the real estate properties for sale and real estate properties held for future development are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made of net realizable value in each subsequent period. When the circumstances that previously caused the real estate properties for sale to be written down below cost no longer exist or when there is a clear evidence of an increase in net realizable value because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value.

The carrying amounts of real estate properties for sale as of December 31, 2023 and 2022 are disclosed in Note 9.

Estimation of useful lives of investment properties and property and equipment
The Group estimates the useful lives of investment properties and property and equipment based on the internal technical evaluation and experience with similar assets. Estimated lives of investment properties and property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

As of December 31, 2023 and 2022, net book value of depreciable investment properties are disclosed in Note 11. Net book value of depreciable property and equipment as of December 31, 2023 and 2022 are disclosed in Note 11.

Determination of the fair value of investment properties and real estate properties held for future development
The Group discloses the fair values of its investment properties and real estate properties held for future development in accordance with PAS 40, *Investment Property.* The Group engaged SEC-accredited and independent valuation specialists to assess fair value as of December 31, 2023 and 2022. The Group's investment properties consist of land and building pertaining to commercial properties while real estate properties held for future development pertain to land. These are valued by reference to sales of similar or substitute properties and other related market data had these properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use. Another method used in determining the fair value of land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others (see Note 26).

The fair value of these properties as of December 31, 2023 and 2022 are disclosed in Notes 10 and 26 while the carrying amounts of these properties as of December 31, 2023 and 2022 are disclosed in Note 10.

Estimation of retirement benefits cost
The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the various tenors, rates for intermediate durations were interpolated and the rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate.

The mortality rate is based on publicly available mortality table in the Philippines. Future salary increases are based on expected future inflation rates. Further details about assumptions used are given in Note 23.

The carrying amounts of net retirement benefits liabilities/plan assets as of December 31, 2023 and 2022 are disclosed in Note 23.

Estimation of reserves
Reserves are set up for all pre-need benefits guaranteed and payable by CPI as defined in the pre-need plan contracts. The determination of CPI's reserves is based on the actuarial formula, methods, and assumptions allowed by applicable SEC and IC circulars. This is dependent on management's selection of certain assumptions used by actuaries in computing this amount.

As of December 31, 2023 and 2022, the principal assumptions used in determining the PNR were based on the IC Circular Letter No. 23-2012 dated November 28, 2012. The transitory discount interest rate that shall be used in the valuation of pre-need reserves shall not exceed the lower of the attainable rates as certified by the Trustee is 3.66% and 3.95% in 2023 and 2022, respectively, and the IC rate of 6.00%.

The following are the assumptions used in the computation of pre-need reserves:

December 31, 2023:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans -

   Plans issued prior to 2006 and after - 3.66% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

   Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

   Plans with maturity dates in years 2022 and after - 3.66% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

December 31, 2022:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans

   Plans issued prior to 2006 and after - 3.95% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

   Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

   Plans with maturity dates in years 2022 and after - 3.95% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

December 31, 2021:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans

   Plans issued prior to 2006 and after - 2.98% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

   Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

   Plans with maturity dates in years 2021 and after - 2.98% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

Management believes that the amount of pre-need reserves and other reserves recorded in the books closely reflect potential plan claims as of end of reporting period. The pre-need reserve and other reserves balance as of December 31, 2023 and 2022 are disclosed in Note 5.

Recognition of deferred income tax assets
The Group reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

The carrying amounts of deferred income tax assets as of December 31, 2023 and 2022 are disclosed in Note 24.

4. Cash and Cash Equivalents and Short-term and Long-term Investments

Cash and cash equivalents consist of:

	2023	2022
Cash on hand and in banks	**₱104,919,024**	₱84,076,701
Cash equivalents	**580,968,116**	1,022,468,116
	₱685,887,140	₱1,106,544,817

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective investment rates.

Short-term investments consist of:

	2023	2022
Short-term cash investments	**₱853,700,000**	₱633,100,000
Short-term bond investments	**277,700,000**	35,600,000
	₱1,131,400,000	₱668,700,000

Short-term investments pertain to cash and bond investments that have maturities of more than three months to one year from date of acquisition and earn interest at the prevailing market rates.

Long-term investments amounting to ₱100.00 million and ₱200.00 million as of December 31, 2023 and 2022, respectively, pertain to cash and bond investments that have maturities of more than one year from the date of acquisition.

Interest income earned from cash in banks, cash equivalents and investments are disclosed in Note 20.

5. **Investments in Trust Funds and Pre-need and Other Reserves**

Investments in Trust Funds
Pursuant to the provisions of the SEC Memorandum Circular No. 6, *Guidelines on the Management of the Trust Fund of Pre-Need Corporation* (SEC Circular No. 4), the SEC requires, among others, that companies engaged in the sale of pre-need plans and similar contracts to planholders set up a trust fund to guarantee the delivery of property or performance of service in the future. Withdrawals from these trust funds are limited to, among others, payments of pension plan benefits, bank charges and investment expenses in the operation of the trust funds, termination value payable to plan holders, contributions to the trust funds of cancelled plans and final taxes on investment income of the trust funds.

In accordance with the SEC requirements, CPI has funds deposited with two local trustee banks aggregating to ₱36.95 million and ₱34.24 million as of December 31, 2023 and 2022, respectively, which are recorded under "Investments in trust funds" account in the consolidated statements of financial position. The details of CPI's investments in trust funds as of December 31 are as follows:

	2023	2022
Assets		
Cash and cash equivalents:		
Cash in banks	**₱240,933**	₱345,592
Cash equivalents	**2,629,197**	5,261,980
Financial assets at amortized cost	**20,509,410**	20,626,003
Financial assets at FVOCI	**681,157**	658,226
Financial assets at FVPL	**4,572,274**	1,514,821
Loans and receivables - net	**1,977,981**	2,255,630
Investment properties	**6,839,400**	4,121,603
Other assets	**297,575**	290,245
	37,747,927	35,074,100
Liabilities		
Accrued trust fees	**27,126**	35,972
Accrued taxes	**141,915**	146,018
Unrealized gain on sale of investment property	**353,601**	382,098
Other liabilities	**274,658**	274,658
	797,300	838,746
Net equity	**36,950,627**	34,235,354
Less noncurrent portion	**(34,080,497)**	(25,039,321)
Current portion	**₱2,870,130**	₱9,196,033

Based on the appraisal reports by SEC-accredited and independent firms of appraisers using market data and sales comparison approach at various dates in 2023 and 2022, the fair values of the investment properties held in trust fund amounted to ₱6.84 million and ₱6.71 million, as of dates of appraisal in 2023 and 2022, respectively.

Details of the net equity as of December 31 are as follows:

	2023	2022
Net Equity		
Fund balances at beginning of year	**₱34,235,354**	₱39,457,254
Additional contributions	**–**	3,610,130
Withdrawals	**(1,891,127)**	(9,140,959)
Trust fund income	**4,583,069**	437,236
Other comprehensive income (loss) for the year:		
Unrealized fair value changes on financial assets at FVOCI	**23,331**	(128,307)
Fund balances at end of year	**₱36,950,627**	₱34,235,354

Total contributions to the trust funds amounted to nil, ₱3.61 million and ₱4.81 million in 2023, 2022 and 2021, respectively. Total withdrawals from the trust funds amounted to ₱1.89 million, ₱9.14 million and ₱2.60 million in 2023, 2022 and 2021, respectively.

Mark-to-market gain (loss) of financial assets at FVOCI amounted to ₱0.02 million, (₱0.13 million) and (₱0.10 million) in 2023, 2022 and 2021, respectively.

Movement in unrealized fair value changes on financial assets at FVOCI in 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Balances at January 1	**₱75,628**	₱203,935	₱300,024
Mark-to-market gain (loss) for the year	**23,331**	(128,307)	(96,089)
Balances at December 31	**₱98,959**	₱75,628	₱203,935

Pre-need and Other Reserves

Details of reserves are as follows:

	2023	2022
PNR	**₱23,771,931**	₱23,833,017
Pension bonus reserve	**126,278**	137,117
Insurance premium reserve	**40,172**	45,244
	23,938,381	24,015,378
Less noncurrent portion	**(22,822,951)**	(23,192,535)
	₱1,115,430	₱822,843

Net contractual liabilities comprise the PNR and reserve for trust fund deficiency. In the opinion of management and the independent actuary, CPI's net contractual liabilities amounting to ₱23.77 million and ₱23.83 million as of December 31, 2023 and 2022, respectively, which is based on the actuarial reports, closely reflect actual potential plan claims as of those dates.

In accordance with IC Circular Letter No. 23-2012 issued on November 28, 2012, the Group computed for the transitory PNR which amounted to ₱23.77 million and ₱23.83 million as of December 31, 2023 and 2022, respectively. If the resulting pre-need reserve is greater than the actual trust fund balance at the end of the year, the transitory pre-need reserves shall be computed in accordance with the schedule provided in the IC Circular Letter.

As of December 31, CPI has recognized trust fund surplus (deficiency) as follows:

	2023	2022	2021
Pre-need reserves	**(₱23,771,931)**	(₱23,833,017)	(₱36,319,707)
Adjusted fund balance available for reserves per actuarial report	**28,933,494**	28,787,460	32,709,578
Trust fund surplus (deficiency)	**₱5,161,563**	₱4,954,443	(₱3,610,129)

The trust fund deficiency as of December 31, 2021 amounting to ₱3.61 million was funded by the Company in May 2022. It was funded within the deadline set forth by IC.

The trust fund deficiency in the year 2021 represents the difference of pre-need reserve and trust fund investment, net of investment in trust funds allocated to pension bonus and unrealized gains.

The following presents the breakdown of the pre-need reserves by maturity dates as of December 31:

	2023	2022
Within one year	**₱1,115,430**	₱822,843
More than one year	**22,656,501**	23,010,174
	₱23,771,931	₱23,833,017

IC Circular Letter No. 2018-58

On November 14, 2018, the IC issued Circular Letter 2018-58 providing Regulatory Relief for the Pre-need Industry due to High Volatility in the Philippine Market. The circular provides the following regulatory relief:

a. Valuation of Publicly Listed Equity Securities
   For listed equity securities acquired on or before December 31, 2017, pre-need companies shall have the option to use the prevailing market rate prescribed by PFRSs or the market rate as of December 31, 2017.

   For listed equity securities acquired after December 31, 2017, pre-need companies shall have the option to use the prevailing market rate prescribed by PFRSs or the acquisition cost.

   The above options apply provided the equity securities are not intended for sale in the short-term.

b. Valuation of Fixed Income Debt Securities
   Pre-need companies shall have the option to value all the fixed income debt securities at amortized cost.

c. Pre-need reserves
   Pre-need companies shall have the option to use the prevailing market rate or the discount rate for the reserves under Circular Letter 23-2012 in the valuation of pre-need reserves.

As of December 31, 2023 and 2022, CPI did not avail of the above regulatory relief on the valuation of assets and pre-need reserves. Hence, the assets and pre-need reserves are valued using market rates.

6. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group derives revenue from the real estate sales overtime in different product type and geographical location. The disaggregation of each sources of revenue from contracts with customers are presented below:

Real estate sales

Type of Product	**2023**	2022	2021
High-rise condominium	**₱2,071,697,716**	₱2,439,382,535	₱1,217,268,100
Parking slots and others	**106,158,983**	116,955,029	74,468,295
Total	**₱2,177,856,699**	₱2,556,337,564	₱1,291,736,395

Real estate sales of the Company pertain to sale of properties within Metro Manila in 2023, 2022 and 2023.

All of the Group's real estate sales, except for CPI, are revenue from contracts with customers recognized over time and are reported under "Sales of real estate properties" segment. For CPI, real estate sales are revenue from contracts with customers recognized at a point in time.

In 2023, 2022 and 2021 sales for real estate properties within Metro Manila arose from contracts with external buyers. There were no intercompany sales/transactions made on the said years.

Contract Balances

	2023	2022
Installment contracts receivable	**₱42,099,506**	₱28,748,261
Contract assets		
Current	**654,289,571**	496,710,264
Noncurrent	**1,553,867,706**	1,978,170,036
Contract liabilities		
Current	**(10,704,561)**	(279,143,653)
Noncurrent	**(38,662,390)**	–

Installment contracts receivable as of December 31

	2023	2022
Installment contracts receivable	**₱42,099,506**	₱28,748,261
Less noncurrent portion	**(25,666,335)**	(15,479,329)
Current portion	**₱16,433,171**	₱13,268,932

Installment contracts receivable arises from sale of real estate properties and is collectible in monthly installments for periods ranging from 1 to 10 years which bear monthly interest rates of 0.92% to 1.33% in 2023 and 2022, computed on the diminishing balance.

Interest income earned from installment contracts receivable and contract assets are disclosed in Note 20.

The Parent Company, CI and CLDI (collectively known as the Group) entered into various contract of guaranty under the group Retail Guaranty Line with Philippine Guarantee Corporation (PHILGUARANTEE). The amount of installment contract receivable enrolled and renewed by the Group totaled to ₱1,450.00 million and ₱1,400.00 million in 2023 and 2022, respectively. The Group paid a guaranty premium of 1.00% based on outstanding principal balance of the receivables in 2023, 2022 and 2021 (see Note 17).

Contract asset represents the right to consideration that was already delivered by the Group in excess of the amount recognized as installment contracts receivable. This is reclassified as installment contracts receivable when the monthly amortization of the buyer is already due for collection.

Contract liabilities amounting to ₱49.37 million and ₱279.14 million as of December 31, 2023 and 2022, respectively, refer to excess of collections over the goods and services transferred by the Group based on POC. Revenue included in the contract liability is recognized based on the movement of the POC. Contract liabilities amounting to ₱279.14 million, ₱239.83 million and ₱232.26 million were recognized as revenue in 2023, 2022 and 2021, respectively. The balance of contract liabilities amounting to ₱10.70 million is expected to be recognized as revenue by year 2024.

Movement in contract liabilities in 2023, 2022 and 2021 was recognized as income based on the POC of the ongoing projects.

No provision for ECL was recorded for the Group's installment contract receivables and contract assets in 2023, 2022 and 2021 (see Note 26).

Performance Obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the customer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover either the parking lot or condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group, except for CPI, recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction. CPI recognizes revenue from the sale of these real estate projects at a point in time when control of the asset is transferred to the buyer, generally when the condominium units are delivered to and accepted by the customer.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include down payment of generally 5% to 10% of the contract price with the remaining balance payable through in-house financing which ranges from one (1) month to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the buyer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

In order to cope with the current trend in the real estate industry, the Group offered to customers the "installment down payment" scheme starting 2020 wherein certain projects were offered with 21 months to pay the corresponding down payment. The new scheme introduced by the Group resulted to sales with percentage of collection lower than 10%. The Group records these collections as "Rental and customers' deposits" under "Accounts Payable and Accrued Expenses" account in the consolidated statement of financial position.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 are as follows:

	2023	2022
Within one year	**₱58,630,368**	₱689,620,729
More than one year	**410,298,620**	–
	₱468,928,988	₱689,620,729

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three years to five years from start of construction.

Costs to Obtain Contract

The balances below pertain to the cost to obtain contracts as of December 31, 2023 and 2022 as presented in the consolidated statement of financial position:

	2023	2022
Balances at beginning of year	**₱16,976,511**	₱25,009,307
Additions	**43,251,348**	41,933,449
Amortization	**(54,486,936)**	(49,966,245)
Balances at end of year	**5,740,923**	16,976,511
Less noncurrent portion	**(5,023,133)**	–
Current portion	**₱717,790**	₱16,976,511

7. Notes Receivable

Notes receivable from various financial institutions earns interest at the prevailing market interest rates ranging from 2.71% to 7.56% and 2.71% to 5.30% as of December 31, 2023 and 2022, respectively, are as follows:

	2023	2022
Notes receivable	**₱1,252,000,000**	₱1,131,000,000
Less noncurrent portion	–	(100,000,000)
Current portion	**₱1,252,000,000**	₱1,031,000,000

There were no properties offered as collaterals for the said notes receivable. Details of notes receivables are as follows:

Date of Placement	**Amount**	Maturity Date
December 2023	**₱141,000,000**	March 2024
November 2023	**125,000,000**	November 2024
November 2023	**287,000,000**	February 2024
November 2023	**45,000,000**	January 2024
October 2023	**82,000,000**	October 2024
October 2023	**317,000,000**	January 2024
September 2023	**80,000,000**	March 2024
August 2023	**25,000,000**	August 2024
May 2023	**50,000,000**	May 2024
July 2021	**100,000,000**	July 2024
Balance as of December 31, 2023	**₱1,252,000,000**	

Date of Placement	Amount	Maturity Date
December 2022	₱245,000,000	January 2023
December 2022	260,000,000	January 2023
November 2022	165,000,000	February 2023
October 2022	146,000,000	January 2023
September 2022	215,000,000	January 2023
July 2021	100,000,000	July 2024
Balance as of December 31, 2022	₱1,131,000,000	

Interest income earned from notes receivable is disclosed in Note 20. No provision for ECL was recorded for the Group's notes receivable in 2023, 2022 and 2021 (see Note 22).

8. Other Receivables

Other receivables consist of:

	2023	2022
Accrued interest (Note 25)	**₱31,684,922**	₱18,647,411
Due from related party (Note 25)	**12,030,722**	–
Advances to customers	**11,361,428**	22,352,699
Rent receivable	**10,385,013**	20,301,466
Advances to condominium corporations	**7,167,660**	4,300,991
Retention	**1,582,091**	2,962,088
Others	**563,337**	824,455
	74,775,173	69,389,110
Less noncurrent portion	**(840,277)**	(712,197)
Current portion	**₱73,934,896**	₱68,676,913

Advances to customers are receivables of the Group for the real estate property taxes of sold condominium units initially paid by the Group. In 2022, the advances to customers significantly increased due to the completion of One Taft Residences. Rent receivable arose from the investment properties rented-out under non-cancellable long-term operating lease contracts (see Note 10). Accrued interest pertains to interest income earned as of December 31 but not yet received by the Group. Advances to condominium corporations pertain to disbursements which are collectible from condominium corporations. Due from related party pertains to the amount of receivables to be collected from related party where one party can exercise control or significant influence over another party. Retention pertains to the amount held on cash sale of real estate properties. Other receivables include employees' advances and receivables from buyers for expenses initially paid by Group. No provision for ECL was recorded for the Group's other receivables in 2023, 2022 and 2021 (see Note 26).

9. Real Estate Properties for Sale

Real estate properties for sale account consists of costs incurred in the development of condominium units and residential houses. Real estate properties for sale includes deemed cost adjustment amounting to ₱3.15 million and ₱3.41 million as of December 31, 2023 and 2022, respectively (see Note 15). The deemed cost adjustment arose when the Group transitioned to PFRSs in 2005.

The movements in real estate properties for sale are as follows:

	2023	2022
Balances at beginning of year	**₱4,399,033,169**	₱3,741,519,233
Construction/development costs incurred	**1,523,668,774**	865,313,330
Disposals (costs of real estate sales)	**(1,180,078,929)**	(1,188,728,457)
Asset received as a result of exchange (Note 25)	–	155,559,698
Transfer from real estate properties held for future development (Note 10)	–	520,365,571
Borrowing costs capitalized (Note 21)	**11,681,600**	13,254,903
Transfer from investment properties (Note 10)	**4,226,327**	243,335,895
Other adjustments - net	**15,302,318**	48,412,996
Balances at end of year	**₱4,773,833,259**	₱4,399,033,169

Real estate properties for sale account includes capitalized borrowing costs incurred during each year in connection with the development of the properties. The average capitalization rate used to determine the amount of capitalized borrowing costs eligible for capitalization is 1.09% in 2023 and 2022 and 1.19% in 2021.

Other adjustments include realized deemed cost adjustment and the recognition of repossessed real estate properties measured at fair value less cost to sell at the date of repossession.

10. Real Estate Properties Held for Future Development and Investment Properties

Real Estate Properties Held for Future Development

Real estate properties held for future development pertain to properties retained by the Group as part of its strategic land banking activities, and there is no concrete plan yet on the development of the properties.

Movements in real estate properties held for future development are as follows:

	2023	2022
Balances at beginning of year	**₱376,574,395**	₱896,485,396
Additions	**1,197,515**	454,570
Transfer to real estate properties for sale (Note 9)	–	(520,365,571)
Balances at end of year	**₱377,771,910**	₱376,574,395

Investment Properties
Investment properties consist of the following:

	2023	2022
Real estate properties for lease	**₱2,174,092,728**	₱2,231,270,233
Real estate properties held for capital appreciation	**471,136,436**	181,139,332
	₱2,645,229,164	₱2,412,409,565

Movements in investment properties are as follows:

	2023			
	Land	**Building**	**Building Improvements**	**Total**
Costs				
Balances at beginning of year	**₱1,560,801,239**	**₱1,046,020,350**	**₱210,316,000**	**₱2,817,137,589**
Cost adjustment (Note 14)	**(5,014,240)**	**–**	**–**	**(5,014,240)**
Additions	**293,039,256**	**–**	**–**	**293,039,256**
Transfer to real estate properties for sale (Note 9)	**–**	**(10,381,171)**	**–**	**(10,381,171)**
Balances at end of year	**1,848,826,255**	**1,035,639,179**	**210,316,000**	**3,094,781,434**
Accumulated Depreciation				
Balances at beginning of year	**–**	**305,715,901**	**99,012,123**	**404,728,024**
Depreciation (Notes 17 and 19)	**–**	**39,779,090**	**11,200,000**	**50,979,090**
Transfer to real estate properties for sale (Note 9)	**–**	**(6,154,844)**	**–**	**(6,154,844)**
Balances at end of year	**–**	**339,340,147**	**110,212,123**	**449,552,270**
Net Book Values	**₱1,848,826,255**	**₱696,299,032**	**₱100,103,877**	**₱2,645,229,164**

	2022			
	Land	Building	Building Improvements	Total
Costs				
Balances at beginning of year	₱978,529,098	₱1,048,870,013	₱210,119,571	₱2,237,518,682
Additions	822,908,841	1,280,105	196,429	824,385,375
Transfer to real estate properties for sale (Note 9)	(240,636,700)	(4,129,768)	–	(244,766,468)
Balances at end of year	1,560,801,239	1,046,020,350	210,316,000	2,817,137,589
Accumulated Depreciation				
Balances at beginning of year	–	267,135,966	87,682,130	354,818,096
Depreciation (Notes 17 and 19)	–	40,010,508	11,329,993	51,340,501
Transfer to real estate properties for sale (Note 9)	–	(1,430,573)	–	(1,430,573)
Balances at end of year	–	305,715,901	99,012,123	404,728,024
Net Book Values	₱1,560,801,239	₱740,304,449	₱111,303,877	₱2,412,409,565

Investment properties as of December 31, 2023 and 2022 include the following buildings for lease registered with Philippine Economic Zone Authority (PEZA) which are leased out to third parties:

	PEZA Registration No.	Date Registered
CityNet1	EZ14-04	March 3, 2014
Citynet Central	EZ15-06	February 17, 2015

The net book values of land and building include net deemed cost adjustment amounting to ₱158.67 million as of December 31, 2023 and 2022 (see Note 15). The deemed cost adjustment arose when the Group transitioned to PFRSs in 2005.

Based on the appraisal reports by SEC-accredited and independent firms of appraisers using market data and sales comparison approach at various dates in 2023 and 2022, appraised values of these investment properties and real estate properties held for future development amounted to ₱9,048.28 million and ₱1,721.50 million, respectively, as of dates of appraisal in 2023 and ₱7,667.31 million and ₱1,540.95 million, respectively, in 2022 (see Note 26).

Rental agreements
The Group entered into lease agreements for its buildings for lease with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, (c) provision of air conditioning and CUSA services and (d) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to issue post-dated checks on the monthly rental payments. In case of delay in payments, a penalty of about 4% per annum is charged for the amount due for the duration of delay. The lease arrangement for the Group's long-term lease transactions would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

The following are the long-term lease contracts entered into by the Group as of December 31, 2023:

Commencement of lease term	Lessee (Third Parties)	Term
2023	Domestic Corporation	3 years
2023	Convenience Store	5 years
2023	Domestic Company	5 years
2023	Domestic Company	3 years
2023	Domestic Corporation	5 years
2023	Convenience Store	5 years
2023	Domestic Corporation	3 years
2023	Domestic Corporation	2 years
2022	Oil Company	8 years
2022	Convenience Store	5 years
2022	Domestic Corporation	3 years
2022	Domestic Corporation	5 years
2022	Domestic Corporation	5 years
2021	Fast Food	5 years
2021	Domestic Corporation	3 years
2021	Domestic Corporation	5 years
2020	Domestic Corporation	5 years
2020	Domestic Corporation	5 years
2020	Domestic Corporation	5 years
2020	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2019	Domestic Corporation	5 years
2017	Fast Food	10 years

The lease contracts include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

Three (3) lease contracts were terminated in 2023 and 2022.

The future minimum lease payments for these lease agreements as of December 31 are as follows:

	2023	2022
Within one year	**₱134,732,387**	₱181,029,769
After one year but not more than five years	**181,766,262**	241,640,234
Later than five years	**3,771,298**	12,256,292
	₱320,269,947	₱434,926,295

Other lease agreements with third parties are generally for a one-year term renewable every year.

Rent income from investment properties amounted to ₱219.79 million, ₱188.58 million and ₱183.74 million in 2023, 2022 and 2021, respectively (see Note 29). Direct operating expenses on investment properties pertaining to depreciation, real estate taxes and other expenses amounted to ₱107.45 million, ₱98.55 million and ₱95.72 million in 2023, 2022 and 2021, respectively (see Note 29).

11. Property and Equipment

Property and equipment consist of:

	2023						
	Land	Building	Office Premises	Furniture, Fixtures and Office Equipment	Transportation and Other Equipment	Right-of-use Assets	Total
At Cost							
Balances at beginning of year	₱44,124,342	₱9,169,134	₱–	₱21,429,456	₱3,376,585	₱13,950,663	₱92,050,180
Cash additions	–	–	–	8,910,714	1,078,571	–	9,989,285
Noncash additions	–	–	–	–	–	15,710,670	15,710,670
Disposal/retirement	–	–	–	(5,407,500)	–	(12,005,251)	(17,412,751)
Balances at end of year	44,124,342	9,169,134	–	24,932,670	4,455,156	17,656,082	100,337,384
Accumulated Depreciation							
Balances at beginning of year	–	1,412,731	–	18,110,546	3,372,325	11,348,599	34,244,201
Depreciation (Notes 17 and 19)	–	385,378	–	2,388,319	35,952	4,534,474	7,344,123
Disposal/retirement	–	–	–	(5,407,500)	–	(12,005,251)	(17,412,751)
Balances at end of year	–	1,798,109	–	15,091,365	3,408,277	3,877,822	24,175,573
Net Book Value	44,124,342	7,371,025	–	9,841,305	1,046,879	13,778,260	76,161,811
At Deemed Cost							
Balances at beginning and end of year	–	–	253,365,628	–	–	–	253,365,628
Accumulated Depreciation							
Balances at beginning and end of year	–	–	253,365,628	–	–	–	253,365,628
Net Deemed Cost	–	–	–	–	–	–	–
Total	₱44,124,342	₱7,371,025	₱–	₱9,841,305	₱1,046,879	₱13,778,260	₱76,161,811

	2022						
	Land	Building	Office Premises	Furniture, Fixtures and Office Equipment	Transportation and Other Equipment	Right-of-use Assets	Total
At Cost							
Balances at beginning of year	₱44,124,342	₱9,169,134	₱–	₱25,402,670	₱3,376,585	₱14,031,093	₱96,103,824
Noncash additions	–	–	–	–	–	1,945,412	1,945,412
Disposal/retirement	–	–	–	(3,973,214)	–	(2,025,842)	(5,999,056)
Balances at end of year	44,124,342	9,169,134	–	21,429,456	3,376,585	13,950,663	92,050,180
Accumulated Depreciation							
Balances at beginning of year	–	1,066,756	–	20,129,561	3,372,325	9,160,739	33,729,381
Depreciation (Notes 17 and 19)	–	345,975	–	1,954,199	–	4,213,702	6,513,876
Disposal/retirement	–	–	–	(3,973,214)	–	(2,025,842)	(5,999,056)
Balances at end of year	–	1,412,731	–	18,110,546	3,372,325	11,348,599	34,244,201
Net Book Value	44,124,342	7,756,403	–	3,318,910	4,260	2,602,064	57,805,979
At Deemed Cost							
Balances at beginning and end of year	–	–	253,365,628	–	–	–	253,365,628
Accumulated Depreciation							
Balances at beginning of year	–	–	253,365,496	–	–	–	253,365,496
Depreciation (Notes 17 and 19)	–	–	132	–	–	–	132
Balances at end of year	–	–	253,365,628	–	–	–	253,365,628
Net Deemed Cost	–	–	–	–	–	–	–
Total	₱44,124,342	₱7,756,403	₱–	₱3,318,910	₱4,260	₱2,602,064	₱57,805,979

The cost of fully depreciated property and equipment still used in operations amounted to ₱5.88 million and ₱11.29 million as of December 31, 2023 and 2022, respectively.

Other lease contracts entered by the Group pertain to short-term leases of office space and transportation equipment with rent expense amounting to ₱1.30 million, ₱0.20 million and ₱0.90 million incurred for the year ended December 31, 2023, 2022 and 2021, respectively (see Notes 14 and 18). The Group does not have any lease contracts pertaining to low value assets. Further, the Group does not have any sublease and leaseback transactions. Thus, there were no income arising from sublease, sale and leaseback transaction.

12. Other Assets

Other current assets amounting to ₱107.02 million and ₱143.08 million as of December 31, 2023 and 2022, respectively, consist of input VAT, advances to contractors and prepaid real estate taxes.

Other noncurrent assets consist of:

	2023	2022
Guaranty deposits (Note 25)	**₱157,299,438**	₱320,149,438
Deposits and others	**17,513,779**	15,793,251
Advances to contractors	**2,096,079**	3,881,227
Financial assets at FVOCI	**187,630,775**	696,995
Unused input VAT	**203,571**	366,429
	₱364,743,642	₱340,887,340

Guaranty deposits pertain to placements made by Credit and Land Holdings, Inc. (CLHI), an affiliate of the Parent Company, in favor of the Housing and Land Use Regulatory Board (HLURB) wherein the Parent Company and CLDI are required to secure a cash bond in relation to the construction and development of its ongoing projects (see Note 25). The interest income earned from guaranty deposits amounted to ₱17.82 million in 2023 and ₱13.33 million in 2022 and ₱11.57 million in 2021 (see Notes 20 and 25).

Deposits and others represent payments made by the Group to various utility companies for the installation of electric and water meters for unsold condominium units. Advances to contractors are advances made by the Group for the contractors' supply requirement.

Financial assets at FVOCI consist of investments in listed equity securities. The fair values of these financial assets were determined based on published prices in an active market.

The movement of unrealized fair value changes on equity securities at FVOCI follows:

	2023	2022
Balance at beginning of year	**₱219,838**	₱446,503
Realized gain	**(165,415)**	–
Unrealized gain (loss) for the year	**7,579,259**	(226,665)
Balance at end of year	**₱7,633,682**	₱219,838

13. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	2023	2022
Trade payables	**₱173,780,205**	₱168,026,192
Rental and customers' deposits	**111,640,288**	105,648,336
Accrued expenses:		
Development costs	**239,111,895**	515,612,387
Sick leave (Note 23)	**36,341,940**	28,748,425
Directors' fee (Note 25)	**31,571,135**	40,933,292
Interest payable	**1,297,207**	1,205,636
Taxes, premiums, others	**1,590,274**	798,180
Deferred rent income	**50,643,988**	50,041,750
Dividends payable	**15,764,602**	16,306,445
Withholding taxes payable	**10,492,943**	15,227,025
Lease liabilities (Note 24)	**14,179,192**	2,926,552
Due to related parties (Note 25)	**4,192,337**	1,163,475
VAT payable	**1,641,406**	53,100
Others	**8,392,430**	11,061,630
	700,639,842	957,752,425
Less noncurrent portion	**(299,152,865)**	(246,302,365)
Current portion	**₱401,486,977**	₱711,450,060

Trade payables consist of payables to suppliers, contractors and other counterparties. Rental and customers' deposits consist of buyers' reservation fees, collections pertaining to sales transactions with below 10% percentage of collection, rental deposits and collected deposits for water and electric meters of the sold units. Accrued development costs represent the corresponding accrued expenses for the completed condominium units of the Group. Deferred rent income pertains to rent received from long-term operating lease.

Lease liabilities pertain to the present value of the lease payments that are not yet paid during the remaining lease period. There were no expenses relating to variable lease payments that were not included in the measurement of lease liabilities.

Other payables consist substantially of commission payable, unclaimed checks of pension holders, and payables due to government agencies.

Group as a lessee
The Group has lease contracts for various items of plant assets used in its operations. Leases of plant assets generally have lease terms between 2 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The following are the amounts recognized in the consolidated statements of income:

	2023	2022	2021
Depreciation expense of right-of-use assets (Note 11)	**₱4,534,474**	₱4,213,702	₱4,259,701
Interest expense on lease liabilities (Note 21)	**680,313**	207,967	368,475
Expenses relating to short-term leases (Notes 11 and 17)	**1,299,656**	197,447	901,475
Total amount recognized in consolidated statements of income	**₱6,514,443**	₱4,619,116	₱5,529,651
Cash outflows from leases	**₱6,437,999**	₱5,252,605	₱5,446,919

The rollforward analysis of lease liabilities as of December 31 is as follows:

	2023	2022
Balances at beginning of year	**₱2,926,552**	₱5,828,331
Additions	**15,710,670**	1,945,412
Interest expense (Note 21)	**680,313**	207,967
Payments	**(5,138,343)**	(5,055,158)
Balances at end of year	**₱14,179,192**	₱2,926,552

Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
1 year	**₱5,116,251**	₱2,107,864
More than 1 years to 2 years	**4,281,643**	947,618
more than 2 years to 3 years	**2,650,911**	–
more than 3 years to 4 years	**3,728,733**	–

Other payables consist of deferred credit and payable to employees.

The movements in dividends payable and accrued interest are as follows:

	January 1, 2023	**Noncash movements**	**Cash flow movement**	**December 31, 2023**
Dividends payable (Note 15)	**₱16,306,445**	**₱210,949,595**	**(₱211,491,438)**	**₱15,764,602**
Accrued interest (Note 14)	**1,205,636**	**1,711,589**	**(1,620,018)**	**1,297,207**
	₱17,512,081	**₱212,661,184**	**(₱213,111,456)**	**₱17,061,809**

	January 1, 2022	Noncash movements	Cash flow movement	December 31, 2022
Dividends payable (Note 15)	₱14,189,450	₱130,142,716	(₱128,025,721)	₱16,306,445
Accrued interest (Note 14)	1,077,686	1,647,379	(1,519,429)	1,205,636
	₱15,267,136	₱131,790,095	(₱129,545,150)	₱17,512,081

14. Notes and Contract Payable and Commitments

Details of notes and contract payable are as follows:

	2023	2022
Notes payable	**₱1,191,000,000**	₱1,125,850,000
Contract payable	**46,556,450**	7,549,400
	₱1,237,556,450	₱1,133,399,400

Notes Payable

Notes payable pertain to commercial papers with varying maturities ranging from 30 to 365 days and annual interest rates ranging from 0.56 % to 1.13% as of December 31, 2023 and 2022.

On October 19, 2023 and October 20, 2022, the SEC authorized the Parent Company to issue ₱1,100.00 million and ₱1,500.00 million worth of commercial papers, respectively. These commercial papers are registered with the SEC, in accordance with the provisions of the Securities Regulation Code and its implementing rules and regulations and other applicable laws and orders. Outstanding commercial papers issued by the Parent Company as of December 31, 2023 and 2022 aggregated to ₱1,191.00 million and ₱1,125.85 million, respectively.

The movements in notes payable are as follows:

	2023	2022
Beginning balance	**₱1,125,850,000**	₱949,200,000
Availments	**5,412,760,528**	6,690,600,553
Payments	**(5,347,610,528)**	(6,513,950,553)
Ending balance	**₱1,191,000,000**	₱1,125,850,000

Interest expense related to notes payable amounted to ₱11.68 million, ₱13.25 million and ₱13.50 million in 2023, 2022 and 2021, respectively (see Note 21). Capitalized borrowing costs amounted to ₱11.68 million, ₱13.25 million and ₱13.50 million in 2023, 2022 and 2021, respectively (see Notes 9 and 21).

The Parent Company, CI, CLDI and CPI (the Cityland Group) have credit lines with financial institutions aggregating to about ₱2,300.00 million as of December 31, 2023 and 2022, of which ₱1,800.00 million are available for drawing by any of the companies in the Cityland Group. No loans were availed by Cityland Group from the credit line in 2023 and 2022.

The Parent Company has specific credit lines amounting to ₱500.00 million in 2023 and 2022 which is not available for drawing by the other companies. As of December 31, 2023, and 2022, no loans were availed from the credit line.

The carrying values of the Parent Company's investment properties and real estate properties for sale that can be used as collaterals for the Group's credit lines as of December 31, 2023 and 2022 are as follows:

Investment properties	₱146,666,172
Real estate properties for sale	51,220,833
Total	₱197,887,005

Contract Payable

Contract payable amounting to ₱46.56 million and ₱7.55 million as of December 31, 2023 and 2022, respectively represents liability arising from a contract entered into by the Parent Company and City & Land Developers, Incorporated (CLDI) to purchase properties (see Note 10).

The movements in contracts payable are as follows:

	2023	2022
Beginning balances	**₱7,549,400**	₱1,127,660
Noncash additions	**293,724,882**	886,750,000
Payments	**(249,703,592)**	(880,328,260)
Cost adjustment (Note 10)	**(5,014,240)**	–
Ending balances	**₱46,556,450**	₱7,549,400

Noncash additions pertain to contract payable arising from acquisition of investment properties (see Note 10). Cost adjustment pertains to adjustment in the purchase price of one of the properties acquired by the Parent Company.

15. Equity

a. The Parent Company registered 10,000,000 shares with the SEC on June 15, 1978 with an initial offer price of ₱10.00. On July 27, 2012, the SEC approved the Amended Articles of Incorporation on the application for increase in authorized capital stock from ₱3,000.00 million to ₱4,000.00 million with a par value of ₱1.00 each. As of December 31, 2023, and 2022, the Parent Company has 4,976,499,325 shares and 4,857,059,542 shares held by 640 and 638 equity holders, respectively.

   The following table summarizes the reconciliation of the Parent Company's issued and outstanding shares of capital stock for each of the following:

	2023		2022		2021	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized shares - ₱1 par value	**5,000,000,000**	**₱5,000,000,000**	5,000,000,000	₱5,000,000,000	5,000,000,000	₱5,000,000,000
Issued, beginning of year	**4,857,059,542**	**₱4,857,059,542**	4,857,059,542	₱4,857,059,542	4,625,863,627	₱4,625,863,627
Treasury stock	**(4,769,406)**	**(4,769,406)**	(4,769,406)	(4,769,406)	(4,769,406)	(4,769,406)
Outstanding	**4,852,290,136**	**4,852,290,136**	4,852,290,136	4,852,290,136	4,621,094,221	4,621,094,221
Stock dividends	**121,377,730**	**121,377,730**	–	–	231,195,915	231,195,915
	4,973,667,866	**4,973,667,866**	4,852,290,136	4,852,290,136	4,852,290,136	4,852,290,136
Treasury stock	**4,769,406**	**4,769,406**	4,769,406	4,769,406	4,769,406	4,769,406
Issued, end of year	**4,978,437,272**	**₱4,978,437,272**	4,857,059,542	₱4,857,059,542	4,857,059,542	₱4,857,059,542

   Treasury stock includes 2,831,459 shares as of December 31, 2023 and 2022, respectively, held by CPI.

b. Dividends declared and issued/paid by the Parent Company in 2023, 2022 and 2021 are as follows:

Dividends	BOD Approval Date	Stockholders' Approval Date	Per Share	Stockholders of Record Date	Date Issued/Paid
Cash	May 31, 2023	–	₱0.0295	June 30, 2023	July 26, 2023
	May 30, 2022	–	₱0.0222	June 13, 2022	August 11, 2021
	June 18, 2021	–	₱0.0212	July 16, 2021	August 11, 2021
Stock	April 24, 2023	June 6, 2023	2.5%	July 6, 2023	August 1, 2023
	May 10, 2021	June 22, 2021	5%	July 22, 2021	August 17, 2021
	July 6, 2020	August 18, 2020	5%	September 17, 2020	October 13, 2020

No stock dividends were declared in 2022.

c. As of December 31, 2023 and 2022, the retained earnings attributable to equity holders of the Parent Company and the non-controlling interest include the remaining balance of deemed cost adjustment which arose when the Group transitioned to PFRSs in 2005.

The components of the deemed cost adjustment, net of deferred income tax liabilities, included in equity as of December 31 are as follows:

	2023	2022
Real estate properties for sale (Note 9)	**₱3,145,536**	₱3,406,016
Investment properties (Note 10)	**158,666,020**	158,666,020
Deemed cost adjustment	**161,811,556**	162,072,036
Deferred income tax liability (Note 24)	**(40,452,891)**	(40,518,011)
Net deemed cost adjustment	**₱121,358,665**	₱121,554,025

The net deemed cost adjustment is allocated in the consolidated statements of changes in equity as follows:

	2023	2022
Attributable to:		
Equity holders of the Parent Company	**₱114,989,432**	₱115,184,792
Non-controlling interest	**6,369,233**	6,369,233
Net deemed cost adjustment	**₱121,358,665**	₱121,554,025

The balance of retained earnings is restricted for the payment of dividends to the extent of the following:

	2023	2022
Undistributed earnings of subsidiaries	**₱1,672,986,123**	₱1,484,287,821
Net deemed cost adjustment in properties	**121,358,664**	121,554,025
Fair value adjustment arising from repossessed inventories	**71,069,351**	62,384,144
Cost of treasury stock	**31,429,574**	31,429,574
Deferred income tax assets (Note 24)	**25,151,025**	22,828,658
	₱1,921,994,737	₱1,722,484,222

16. **Material Partly Owned Subsidiary**

Below is the summarized financial information of the subsidiaries that have non-controlling interests that are material to the Group. The amounts disclosed are based on financial information included in the consolidated financial statements before intercompany eliminations.

Proportion of equity interest held by non-controlling interests as of December 31, 2023 and 2022:

CLDI	50.27%
CPI	9.19%

As of December 31, the summarized statements of financial position of the subsidiaries are as follows:

	CLDI			**CPI**		
	2023	2022	2021	**2023**	2022	2021
Total assets	**₱3,042,314,904**	₱2,969,632,422	₱2,725,175,655	**₱384,247,229**	₱349,443,088	₱357,596,256
Total liabilities	**(273,613,353)**	(216,525,807)	(340,158,308)	**(40,796,281)**	(33,349,861)	(48,778,733)
Equity	**2,768,701,551**	2,753,106,615	2,385,017,347	**343,450,948**	316,093,227	308,817,523
Attributable to non-controlling interests	**1,307,201,596**	1,381,072,376	1,196,033,901	**27,525,195**	33,531,714	32,562,011

Summarized statements of income for the years ended December 31 are as follows:

	CLDI			CPI		
	2023	2022	2021	**2023**	2022	2021
Revenue and income	**₱512,672,389**	₱1,170,362,612	₱660,076,455	**₱70,612,634**	₱19,593,155	₱16,731,787
Costs and expenses	**(314,021,143)**	(630,722,980)	(437,326,468)	**(36,236,373)**	(11,915,182)	13,325,839
Provision for income tax	**(41,230,162)**	(127,386,207)	(48,316,078)	**(6,681,446)**	(368,969)	1,026,750
Net income	**157,421,084**	412,253,425	174,433,909	**27,694,815**	7,309,004	4,432,698
Attributable to non-controlling interests	**79,135,578**	207,239,797	87,687,926	**2,545,154**	581,903	407,365
Cash dividends paid to non-controlling interest	**69,000,034**	22,816,472	10,019,095	**1,193,305**	394,595	173,272

Summarized statements of comprehensive income for the years ended December 31 are as follows:

	CLDI			CPI		
	2023	2022	2021	**2023**	2022	2021
Net income	**₱157,421,084**	₱412,253,425	₱174,433,909	**₱27,694,815**	₱7,309,004	₱4,432,698
Other comprehensive income (loss)	**(4,567,776)**	1,223,780	1,920,747	**(337,094)**	(33,300)	1,203,687
Total comprehensive income	**152,853,308**	413,477,205	176,354,656	**27,357,721**	7,275,704	5,636,385
Attributable to non-controlling interests	**76,839,357**	207,854,991	88,653,486	**2,545,522**	575,064	–

Summarized statements of cash flows for the years ended December 31 are as follows:

	CLDI			CPI		
	2023	2022	2021	**2023**	2022	2021
Cash flows from operating activities	**₱170,662,684**	₱213,561,409	₱142,894,130	**₱38,179,602**	₱319,280	₱13,049,286
Cash flows from (used in) investing activities	**41,065,183**	(276,361,364)	(90,624,566)	**(59,485,451)**	35,518,119	(30,138,656)
Cash flows used in financing activities	**(137,040,798)**	(45,162,080)	(19,567,213)	**–**	–	–

17. **Operating Expenses**

Operating expenses consist of:

	2023	2022	2021
Personnel (Note 18)	**₱237,740,197**	₱242,189,015	₱221,391,623
Taxes and licenses	**96,878,474**	73,351,526	68,847,983
Depreciation (Note 19)	**58,323,213**	57,854,509	60,187,927
Professional fees	**50,485,482**	57,486,852	39,549,494
Light, power and water	**45,738,436**	41,144,293	27,573,439
Repairs and maintenance	**23,504,260**	11,692,085	12,228,097
Outside services	**22,259,819**	19,888,881	17,740,855
Brokers' commission	**21,732,679**	19,748,503	7,988,083
Membership dues	**15,445,651**	11,800,583	7,830,842
Insurance (Note 6)	**10,263,683**	12,316,415	11,997,442
Postage, telephone and telegraph	**2,067,030**	2,711,946	3,352,941
Donations	**1,771,500**	9,922,000	–
Stationery and office supplies	**1,649,502**	1,692,387	1,119,032
Advertising and promotions	**1,572,284**	1,279,918	2,149,044
Rent expense (Notes 11 and 13)	**1,299,656**	197,447	901,475
Others	**17,994,596**	14,164,190	7,932,452
	₱608,726,462	₱577,440,550	₱490,790,729

Others include transportation and miscellaneous expenses.

18. **Personnel Expenses**

Personnel expenses consist of:

	2023	2022	2021
Salaries and wages	**₱101,487,077**	₱103,831,020	₱114,918,696
Bonuses and other employee benefits	**76,312,281**	75,324,656	74,798,959
Commissions	**56,163,907**	58,669,679	26,065,504
Retirement benefits cost (Note 23)	**3,776,932**	4,363,660	5,608,464
	₱237,740,197	₱242,189,015	₱221,391,623

19. **Depreciation**

Depreciation consists of:

	2023	2022	2021
Investment properties (Note 10)	**₱50,979,090**	₱51,340,501	₱52,997,180
Property and equipment (Note 11)	**7,344,123**	6,514,008	7,190,747
	₱58,323,213	₱57,854,509	₱60,187,927

20. Financial Income

Financial income consists of:

	2023	2022	2021
Interest income from:			
Installment contracts receivable and contract assets (Note 6)	**₱282,447,621**	₱273,761,206	₱296,670,794
Cash equivalents and investments (Note 4)	**121,113,237**	65,977,284	51,311,117
Notes receivable (Note 7)	**82,237,746**	30,018,519	21,261,717
Guaranty deposits (Notes 12 and 25)	**17,817,279**	13,326,348	11,571,750
Cash in banks (Note 4)	**2,087,566**	98,489	99,195
Dividend income	**14,961**	21,274	18,263
	₱505,718,410	₱383,203,120	₱380,932,836

21. Financial Expenses

Financial expenses consist of:

	2023	2022	2021
Interest expense on notes payable (Note 14)	**₱11,681,600**	₱13,254,903	₱13,495,873
Less capitalized borrowing costs (Notes 9 and 14)	**(11,681,600)**	(13,254,903)	(13,495,873)
	–	–	–
Interest expense on security deposits and others	**1,711,589**	1,647,379	1,497,008
Finance charges	**1,214,941**	1,349,031	543,450
Interest expense on lease liabilities (Note 13)	**680,313**	207,967	368,475
	₱3,606,843	₱3,204,377	₱2,408,933

22. Other Income - Net

Other income - net amounting to ₱133.79 million, ₱257.67 million and ₱121.73 million in 2023, 2022 and 2021, respectively, pertains to gain or loss arising from revaluation of repossessed units at fair market value less cost to sell, trust fund income, penalties for buyers’ late payments, sale of scraps, gain on sale of shares of stock and net gains or losses on forfeiture/cancellation of sales.

In 2022, the Parent Company recognized an income amounting to ₱155.56 million as a result of the exchange of properties with CI. This was recorded under “Other income - net” in the consolidated statement of income.

23. **Employee Benefits**

Under the existing regulatory framework, Republic Act No. 7641, *The Philippine Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however, that the employees retirement benefit under the collective bargaining and other agreements shall not be less than provided under the law. The law does not require minimum funding of the plan.

Retirement benefits cost
The Group, jointly with affiliated companies, has a funded, noncontributory defined benefit retirement plan, covering all of its permanent employees. This provides for payment of benefits to covered employees upon retirement subject to certain condition which is based on a certain percentage of the employee’s final monthly salary and the number of years of service.

The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan who is responsible for the investment strategy of the plan.

The details of net retirement benefits cost, which is included in “Personnel expenses” account (see Note 18), are as follows:

	2023	2022	2021
Current service cost	**₱5,033,456**	₱5,220,388	₱5,940,674
Net interest income on net defined benefit obligation	**(1,256,524)**	(856,728)	(332,210)
Net retirement benefits cost	**₱3,776,932**	₱4,363,660	₱5,608,464

Re-measurement loss (gain) recognized in the consolidated statements of comprehensive income comprises the following:

	2023	2022	2021
Actuarial loss (gain) on defined benefit obligation:			
Due to experience adjustments	**₱12,698,942**	(₱6,275,124)	(₱1,463,793)
Due to change in financial assumption	**3,263,064**	1,723,230	(7,952,762)
Actuarial loss (gain) on plan assets excluding amounts included in net interest cost	**1,117,081**	1,579,095	(2,645,173)
Re-measurement loss (gain)	**17,079,087**	(2,972,799)	(12,061,728)
Tax effect (Note 24)	**(4,269,772)**	743,200	4,572,167
	₱12,809,315	(₱2,229,599)	(₱7,489,561)

The details of the net retirement plan assets are as follows:

	2023	2022
Present value of defined benefit obligation	**(₱84,875,966)**	(₱67,160,096)
Fair value of plan assets	**87,183,728**	84,840,249
Net retirement plan assets	**₱2,307,762**	₱17,680,153

The breakdown of net retirement plan assets per entity as of December 31 as follows:

	2023	2022
Net retirement plan assets:		
Parent Company	**₱5,877,044**	₱16,443,792
CLDI	**–**	1,232,592
	5,877,044	17,676,384
Net retirement benefit liability:		
CPI	**(17,451)**	(3,769)
CLDI	**(3,551,831)**	–
	(3,569,282)	(3,769)
Net retirement plan assets	**₱2,307,762**	₱17,672,615

Changes in net retirement plan assets are as follows:

	2023	2022
Beginning balances	**₱17,672,615**	₱17,204,622
Retirement benefits cost	**(3,776,932)**	(4,363,660)
Re-measurement gain (loss)	**(17,079,087)**	2,972,799
Contributions	**5,491,166**	1,858,854
Ending balances	**₱2,307,762**	₱17,672,615

Changes in present value of defined benefit obligation are as follows:

	2023	2022
Defined benefit obligation, January 1	**₱67,167,634**	₱73,817,273
Current service cost	**5,033,456**	5,220,388
Interest cost on benefit obligation	**4,775,618**	3,670,808
Benefits paid	**(8,062,748)**	(10,988,941)
Actuarial losses (gains)	**15,962,006**	(4,551,894)
Defined benefit obligation, December 31	**₱84,875,966**	₱67,167,634

Changes in fair value of plan assets are as follows:

	2023	2022
Fair value of plan assets, January 1	**₱84,840,249**	₱91,021,895
Interest income	**6,032,142**	4,527,536
Actuarial loss excluding amount recognized in net interest cost	**(1,117,081)**	(1,579,095)
Contributions to the plan	**5,491,166**	1,858,854
Benefits paid	**(8,062,748)**	(10,988,941)
Fair value of plan assets, December 31	**₱87,183,728**	₱84,840,249

The major categories of plan assets of the Group with its affiliated companies as a percentage of the fair value of net plan assets are as follows:

	2023	2022
Investment properties	**52.83%**	51.79%
Cash and cash equivalents	**43.68%**	44.74%
Investments in equity securities	**3.41%**	3.37%
Receivables	**0.15%**	0.17%
Payables	**(0.07%)**	(0.07%)
	100.00%	100.00%

Cash and cash equivalents consist of savings deposits and short-term time deposits with maturities of less than three months. Investment properties pertain to condominium units which are held for lease and are stated at fair value. Investments in equity securities consist of investment in shares of stock of listed companies with quoted market prices in an active market. Loans and receivables include loans to individuals and accrued interest income.

The actual return amounted to ₱4.92 million and ₱2.95 million in 2023 and 2022, respectively.

The Group expects to contribute ₱5.50 million to the retirement fund in 2024.

The Group does not currently employ any asset-liability matching strategy.

The latest actuarial valuation report is as of December 31, 2023. The principal assumptions used in determining retirement benefits cost for the Group's plan as of January 1 are as follows:

	2023	2022
Number of employees	**176**	183
Discount rate per annum	**7.11%-7.12%**	4.80%-4.98%
Future annual increase in salary	**4.00%**	3.00%
Mortality rate	**1994 GAM***	1994 GAM*
Disability rate	**1994 Disability Study**	1952 Disability Study

**Group Annuity Mortality Table*

As of December 31, 2023, the discount rate is 7.11% to 7.12% while the future increase in salary is 4.00%.

The defined benefit obligation is subject to several key assumptions. The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2023 and 2022, assuming all other assumptions were held constant.

	Increase (decrease) in basis points (bps)	Increase (decrease) in defined benefit obligation 2023	2022
Discount rate	+0.50%	**(₱3,582,826)**	(₱3,375,148)
	-0.50%	**3,943,459**	3,669,542
Salary increase rate	+1.00%	**7,990,093**	7,514,929
	-1.00%	**(6,727,294)**	(6,472,128)

There are no changes in the method of computing for sensitivity analysis for the years ended December 31, 2023 and 2022.

Shown below is the maturity analysis of the undiscounted expected benefit payments as of December 31, 2023:

Plan year	No. of Retirees	Total Benefit
One year and less	2	₱4,925,140
More than one year to five years	10	31,641,304
More than five years to 10 years	21	57,031,375
More than 10 years to 15 years	10	53,220,701
More than 15 years to 20 years	15	60,181,090
More than 20 years	118	673,196,922
	176	₱880,196,532

The average duration of the defined benefit obligation of each company as of December 31 are as follows:

	2023	2022
CLDI	**22 years**	22 years
CPI	**28 years**	28 years
CDC	**22 years**	21 years

Accrued sick leave
Employees are entitled to paid sick leave of 15 days per year of service after issuance of regular appointment, computed at 1.25 days per month of service, enjoyable only after one year of regular service. Unused sick leaves are cumulative and convertible to cash based on the employee's salary at the time that the employee is leaving the Group. Accrued sick leave, presented under "Accounts payable and accrued expenses - noncurrent portion" account, amounted to ₱36.34 million and ₱28.75 million as of December 31, 2023 and 2022, respectively (see Note 13).

24. **Income Taxes**

a. Provision for income tax consists of:

	2023	2022	2021
Current	**₱209,261,640**	₱258,547,759	₱99,093,719
Deferred	**26,584,463**	97,759,951	46,910,941
	235,846,103	356,307,710	146,004,660
Final tax on interest income	**44,652,433**	21,884,128	16,848,756
	₱280,498,536	₱378,191,838	₱162,853,416

b. The components of net deferred income tax assets (liabilities) are as follows:

	2023	2022
Deferred income tax assets on:		
Accrued expenses	**₱16,966,870**	₱17,365,964
Unearned rent revenue	**7,295,133**	4,569,870
Unamortized past service cost	**788,789**	811,702
Lease liabilities (Notes 11 and 13)	**100,233**	81,122
	25,151,025	22,828,658

(Forward)

	2023	2022
Deferred income tax liabilities on:		
Difference between tax basis and book basis of accounting for real estate transactions	**(₱198,285,172)**	(₱168,380,161)
Deemed cost adjustment in properties (Note 15)	**(27,915,339)**	(27,980,459)
Capitalized borrowing costs	**(21,704,421)**	(20,906,025)
Net retirement plan assets	**(8,750,686)**	(8,443,193)
Cost to obtain contract (Notes 6)	**(1,435,230)**	(4,244,128)
	(258,090,848)	(229,953,966)
	(232,939,823)	(207,125,308)
Deferred income tax liability recognized in retained earnings upon realization - deemed cost adjustment (Note 15)	**(12,537,552)**	(12,537,552)
Deferred income tax asset recognized in other comprehensive income - actuarial loss on defined benefit plan (Note 22)	**8,294,814**	4,025,042
Net deferred income tax liabilities	**(₱237,182,561)**	(₱215,637,818)

The breakdown of net deferred income tax liabilities as of December 31 per entity follows:

	2023	2022
Deferred income tax liabilities - net:		
Parent Company	**(₱224,550,428)**	(₱193,856,246)
CLDI	**(8,622,624)**	(19,637,281)
CPI	**(4,009,509)**	(2,144,291)
	(₱237,182,561)	(₱215,637,818)

Provision for deferred income tax recognized in other comprehensive income amounted to ₱4.27 million, ₱0.74 million and ₱4.57 million in 2023, 2022 and 2021, respectively (see Note 23). Benefit from deferred income tax recognized in retained earnings amounted to nil in 2023 and 2022 and ₱3.041 million in 2021.

c. The reconciliation of income tax computed at statutory tax rate to provision for income tax follows:

	2023	2022	2021
Income tax at statutory tax rate	**₱311,185,022**	₱404,104,034	₱209,000,098
Adjustments to income tax resulting from:			
Interest income subjected to final tax	**(55,813,957)**	(27,355,160)	(21,060,944)
Tax-exempt interest income	**(22,672,862)**	(24,017,819)	(25,785,002)
Final tax on interest income	**42,387,060**	21,884,128	16,848,756
Nondeductible interest expense	**3,348,297**	3,311,242	3,353,170
Trust fund income already subjected to final tax	**(1,145,767)**	(109,309)	(208,116)
Nontaxable dividend income	**(3,740)**	(5,319)	(4,566)
Effect of CREATE Law	**–**	–	(18,509,743)
Others – net	**3,214,483**	380,041	(780,237)
Provision for income tax	**₱280,498,536**	₱378,191,838	₱162,853,416

d. On March 26, 2021, the President of the Philippines signed into law Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the busin ess entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

e. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

25. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Group discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In the event that the majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Material related party transactions refer to any related party transaction, either individually or in the aggregate over a twelve-month period with the same related party, with an amount equivalent to at least 10% of the Group's consolidated total assets.

The Group, in the normal course of business, has transactions and account balances with related parties consisting mainly of the following:

	Amount of Transactions			Outstanding Balances				
				Receivable (Note 8)		Payable (Note 13)		
Nature of Transaction	**2023**	2022	2021	**2023**	2022	**2023**	2022	Terms and Conditions
Ultimate parent (CI)								
Sharing of expenses charged by the Parent Company - net (Note 25c)	**₱15,059,584**	₱11,550,101	(₱8,243,638)	**₱12,030,722**	₱–	**(₱4,191,887)**	(₱1,163,475)	30-day, unsecured, non-interest bearing; to be settled in cash
CLHI								
Interest income from guaranty deposits (Note 25f)	**17,817,279**	13,326,348	11,571,750	**4,843,002**	1,874,113	**–**	–	Settled in cash
Retirement Plans								
Contributions to the plans (Note 25c)	**5,491,166**	1,858,854	1,858,854	**–**	–	**–**	–	Settled in cash
Key management personnel								
Salaries and other compensation (Note 25e)	**31,791,795**	24,703,958	25,191,835	**–**	–	**–**	–	Settled in cash
BOD								
Directors' fees (Note 25e)	**43,150,911**	22,352,174	17,251,972	**–**	–	**(31,571,135)**	(40,933,292)	Settled in cash; outstanding balance is payable on demand

The transactions of the Parent Company with CLDI and CPI are eliminated in the consolidated statements of financial positions and consolidated statements of income.

a. In 2019, the Parent Company entered into a Memorandum of Agreement with CI whereby the Parent Company shall assign its parcel of land to CI in exchange of certain number of condominium units and parking lots on One Premier, a project of CI. In 2021, additional units were allocated to the Parent Company.

   In 2022, the project was completed and the Parent Company and CI executed a Deed of Exchange relating to the exchange of properties. The assets were recorded as an addition in the "Real Estate Properties for Sale" account and treated as a noncash operating activity. The Parent Company recognized income from an exchange amounting to ₱155.56 million recorded under "Other income – net" in the consolidated statement of income.

b. The Parent Company has an existing agreement with CI, CLDI and CPI whereby personnel costs and common recurring expenses such as water, electricity, rental, and other expenses for which the companies have benefited from such service shall be shared among the companies and billed with a pre-agreed mark-up rate. These are recorded as part of "Operating expenses" in the consolidated statements of income. The income recognized as a result of the mark-up charged is recorded as "Other income – net" in the consolidated statements of income These are unsecured, unguaranteed, non-interest bearing, and due within 30-60 days.

c. The Group, jointly with affiliated companies under common control, has a trust fund for the retirement plan of their employees. The trust fund is being maintained by a third-party trustee bank under the supervision of the Retirement Committee of the plan who is responsible for the investment strategy of the plan. The Group's share on the fair value of plan assets amounted to ₱87.18 million and ₱84.84 million as of December 31, 2023 and 2022, respectively (see Note 23).

   The major categories of plan assets are cash and cash equivalents, investments In equity securities, loans and receivables and investment properties (see Note 23). Investments in equity securities of plan assets include investment in the Parent Company's shares. The third-party trustee bank exercises the voting rights over the shares. The fair value of the investment in the Parent Company's shares amounted ₱4.44 million and ₱4.27 million as of December 31, 2023 and 2022 respectively, with original cost of ₱3.40 million. Unrealized gain on changes of fair value of these investments amounted to nil as of December 31, 2023 and 2022, respectively. Loans and receivables of plan assets include installment contracts receivable purchased in prior years on a non-recourse basis from the Parent Company amounting to ₱0.20 million and ₱0.21 million as of December 31, 2023 and 2022, respectively. The retirement plan assets as of December 31, 2023 and 2022 include fair value of investment properties held for lease amounting to ₱68.91 million and ₱65.60 million, respectively, which was purchased from the Parent Company in 2013. The sale was conducted in the normal course of business and was measured at current selling price and settled in cash.

Contributions to the fund amounted to ₱5.49 million and ₱1.85 million in 2023 and 2022, respectively (see Note 23).

d. The Parent Company's shares held by members of the BOD aggregated to ₱758.35 million and ₱732.26 million as of December 31, 2023 and 2022, respectively. On the other hand, shares held by the ultimate parent and CPI totaled ₱2,539.72 million and ₱2,477.77 million as of December 31, 2023 and 2022, respectively.

e. Compensation of key management personnel are as follows:

	2023	2022	2021
Short-term benefits:			
Salaries	**₱10,716,186**	₱10,606,049	₱11,348,755
Bonuses	**2,787,598**	2,744,575	2,948,157
Other benefits	**15,729,248**	9,024,937	8,532,967
Long-term benefits	**2,558,763**	2,328,397	2,361,956
	₱31,791,795	₱24,703,958	₱25,191,835

Other benefits consist of incentives and performance bonuses.

The Group has no standard arrangements with regard to the remuneration of its directors. In 2023, 2022 and 2021, the BOD received a total of ₱43.15 million, ₱22.35 million and ₱17.25 million, respectively. Moreover, the Group has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Group does not have any arrangements for stock warrants or options offered to its employees.

f. In 2018, the Parent Company through its affiliate - Credit and Land Holdings, Inc., issued a cash bond amounting ₱257.15 million in favor of HLURB in relation to the construction and development of its ongoing projects which was recorded as guaranty deposit under "Other noncurrent assets". The said amount was placed by CLHI to a financial institution with a maturity of five (5) years. In 2022, CLDI also issued a cash bond amounting to ₱62.99 million in relation to its new project with maturity of three (3) years and in May 2023, CDC issued another cash bond amounting ₱94.30 million. Interest income earned amounted to ₱17.82 million, ₱13.33 million and ₱11.57 million in 2023, 2022 and 2021, respectively (see Notes 12 and 20). Accrued interest amounting to ₱4.84 million and ₱1.87 million as of December 31, 2023 and 2022, respectively, was recorded under "Other receivables - accrued interest" account in the consolidated statements of financial position (see Note 8).

g. The following are the balances and transactions among related parties which are eliminated during consolidation:

Amounts owed by	Amounts owed to	Nature	2023	2022	2021
CLDI	Parent Company	Sharing of expenses	**₱17,746,064**	₱–	₱10,131,774
Parent Company	CLDI	Sharing of expenses	–	828,316	–
CPI	Parent Company	Sharing of expenses	**1,883,386**	39,290	106,282
CLDI	CPI	Sharing of expenses	–	19,585	39,287
CPI	CLDI	Sale of real estate properties	**493,810**	–	150,000

Investee	Investor	Nature	2023	2022	2021
Parent Company	CPI	Shares of stock	**₱2,002,549**	₱1,925,392	₱2,151,909
CLDI	CPI	Shares of stock	**10,429,982**	10,848,227	10,580,600

Dividend declared to	Dividend declared by	2023	2022	2021
Parent Company	CLDI	**₱68,258,836**	₱22,571,378	₱9,911,469
CPI	Parent Company	**83,528**	62,858	57,169
CPI	CLDI	**1,193,305**	394,595	173,272

26. Financial Instruments and Fair Value Measurement

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, short-term and long-term investments, notes receivable and notes payable and contract payable. The main purpose of these financial instruments is to finance the Group's operations. The Group's other financial instruments consist of financial assets at fair value through profit or loss and financial assets at FVOCI which are held for investing purposes and investments in trust funds to cover pre-need reserves obligation. The Group has various other financial instruments such as installment contracts receivable, contract assets, notes receivable, other receivables and accounts payable and accrued expenses which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are market risk (i.e., cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

Market risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's short-term notes payable, all with repriced interest rates.

The Group's policy in addressing volatility in interest rates includes maximizing the use of operating cash flows to be able to fulfill principal and interest obligations even in periods of rising interest rates.

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates based on forecasted and average movements of interest rates (with all other variables held constant):

	Change in bps	Effect on Income before Income Tax
December 31, 2023	**+/-21 bps**	**+/-₱2,554,695**
December 31, 2022	+/-11 bps	+/-₱11,906,990

There is no impact on the Group's equity other than those already affecting income before income tax.

Equity price risk
Equity price risk is the risk that the fair values of investments in equity securities will decrease as a result of changes in the market values of individual shares of stock. The Group is exposed to equity price risk because of investments held by the Group classified as financial assets at FVOCI included under "Other noncurrent asset" account in the consolidated statements of financial position. The Group employs the service of a third-party stockbroker to manage its investments in shares of stock.

The following table demonstrates the sensitivity analysis of the Group's equity to a reasonably possible change in equity price based on forecasted and average movements of equity prices (with all other variables held constant):

	Change in equity price	Effect on equity
2023	**+/-₱**0.02	**+/-₱7,824,203**
2022	+/-₱0.03	+/-₱22,513

Credit risk
Credit risk arises when the Group will incur a loss because its buyers, clients or counterparties fail to discharge their obligations. The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all buyers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the objective that the Group's exposure to bad debts is not significant. The risk is further mitigated because the Group holds the title to the real estate properties with outstanding installment contracts receivable balance and the Group can repossess such real estate properties upon default of the buyer in paying the outstanding balance. The Group's policy is to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk within the Group.

The tables on the next page show the Group's exposure to credit risk for the components of the consolidated statements of financial position. The exposure as of December 31, 2023 and 2022 is shown at gross, before taking the effect of mitigation through the use of collateral agreements and other credit enhancements, and at net, after taking the effect of mitigation through the use of collateral agreements and other credit enhancements.

December 31, 2023:

	Gross maximum exposure	**Fair value of collaterals**	**Net exposure**	**Financial effect of collateral/credit enhancements**
Financial assets				
Investments in trust funds	**₱36,950,627**	**₱–**	**₱36,950,627**	**₱–**
Cash and cash equivalents, excluding cash on hand	**685,683,140**	**–**	**685,683,140**	**–**
Short-term investments	**1,131,400,000**	**–**	**1,131,400,000**	**–**
Long-term investments	**100,000,000**	**–**	**100,000,000**	**–**
Installment contracts receivable	**42,099,506**	**587,220,583**	**–**	**42,099,506**
Notes receivable	**1,252,000,000**	**–**	**1,252,000,000**	**–**
Guaranty deposit	**157,299,438**	**–**	**157,299,438**	**–**
Refundable deposits	**16,647,403**	**–**	**16,647,403**	**–**
Other receivables:				
Accrued interest	**31,684,922**	**–**	**31,684,922**	**–**
Due from related party	**12,030,722**	**–**	**12,030,722**	**–**
Advances to customers	**11,361,428**	**–**	**11,361,428**	**–**
Rent receivable	**10,385,013**	**–**	**10,385,013**	**–**
Advances to condominium corporations	**7,167,660**	**–**	**7,167,660**	**–**
Retention	**1,582,091**	**–**	**1,582,091**	**–**
Others	**563,337**	**–**	**563,337**	**–**
Contract assets	**2,208,157,277**	**5,506,099,636**	**–**	**2,208,157,277**
Total credit risk exposure	**₱5,705,012,564**	**₱6,093,320,219**	**₱3,454,755,781**	**₱2,250,256,783**

December 31, 2022:

	Gross maximum exposure	Fair value of collaterals	Net exposure	Financial effect of collateral/credit enhancements
Financial assets				
Investments in trust funds	₱34,235,354	₱–	₱34,235,354	₱–
Cash and cash equivalents, excluding cash on hand	1,106,355,549	–	1,106,355,549	–
Short-term investments	668,700,000	–	668,700,000	–
Long-term investments	200,000,000	–	200,000,000	–
Installment contracts receivable	28,748,261	254,769,781	–	28,748,261
Notes receivable	1,131,000,000	–	1,131,000,000	–
Guaranty deposit	320,149,438	–	320,149,438	–
Refundable deposits	14,926,875	–	14,926,875	–
Other receivables:				
Rent receivable	22,352,699	–	22,352,699	–
Advances to customers	20,301,466	–	20,301,466	–
Accrued interest	18,647,411	–	18,647,411	–
Advances to condominium corporations	4,300,991	–	4,300,991	–
Retention	2,962,088	–	2,962,088	–
Others	824,455	–	824,455	–
Contract assets	2,474,880,300	5,452,125,373	–	2,474,880,300
Total credit risk exposure	₱6,048,384,887	₱5,706,895,154	₱3,544,756,326	₱2,503,628,561

The Group has performed an ECL calculation for its financial assets at amortized cost. The ECL is a product of the probability of default, loss given default and exposure at default.

In determining the probability of default, the Group used historical default rates for the last five years for the installment sales from its buyers and last two years for other receivables. The Group applied the possible effects of macroeconomic factors to the historical loss rate. For loss given default, the Group determined that the fair value less cost of repossession of collaterals upon default is higher than the exposure at default. Thus, no expected credit loss was recognized for the Group's installment contract receivables, contract assets and other receivables from its buyer.

The Group considers its cash and cash equivalents and short-term and long-term investments as high grade since these are placed with financial institutions of high credit standing. Accordingly, ECL relating to cash and cash equivalents and short-term and long-term investments rounds to nil.

The Group considers installment contract receivables, notes receivable, guaranty deposits, refundable deposits and other receivables from third parties and related parties as medium grade. Third parties are primarily managed through screening based on credit history and financial information submitted. Whereas, related parties have low risk of default and have a strong capacity to meet their contractual cash flows in the near term. The following tables summarize the aging analysis of receivables and contract assets on which expected credit loss rate was applied:

December 31, 2023:

			Days past due				
	Contract assets	**Current and Not Yet Due**	**< 30 days**	**30-60 days**	**61-90 days**	**Over 90 days**	**Total**
Installment contracts receivable	**₱–**	**₱29,271,549**	**₱10,919,943**	**₱443,663**	**₱43,992**	**₱1,420,359**	**₱42,099,506**
Contract assets	**2,208,157,277**	–	–	–	–	–	**2,208,157,277**
Guaranty deposit	–	**157,299,438**	–	–	–	–	**157,299,438**
Refundable deposits	–	**16,647,403**	–	–	–	–	**16,647,403**
Notes receivable	–	**1,252,000,000**	–	–	–	–	**1,252,000,000**
Other receivables:							
Accrued interest	–	**31,684,922**	–	–	–	–	**31,684,922**
Due from related party	–	**12,030,722**	–	–	–	–	**12,030,722**
Advances to customers	–	**10,070,765**	–	**61,696**	**130,636**	**1,098,331**	**11,361,428**
Rent receivable	–	**10,385,013**	–	–	–	–	**10,385,013**
Advances to condominium corporations	–	**7,167,660**	–	–	–	–	**7,167,660**
Retention		**1,582,091**	–	–	–	–	**1,582,091**
Others	–	**563,337**	–	–	–	–	**563,337**
	₱2,208,157,277	**₱1,528,702,900**	**₱10,919,943**	**₱505,359**	**₱174,628**	**₱2,518,690**	**₱3,750,978,797**

December 31, 2022:

			Days past due				
	Contract assets	Current and Not Yet Due	< 30 days	30-60 days	61-90 days	Over 90 days	Total
Installment contracts receivable	₱–	₱19,709,930	₱4,904,232	₱3,643,216	₱108,314	₱382,569	₱28,748,261
Contract assets	2,474,880,300	–	–	–	–	–	2,474,880,300
Guaranty deposit	–	320,149,438	–	–	–	–	320,149,438
Refundable deposits	–	14,926,875	–	–	–	–	14,926,875
Notes receivable	–	1,131,000,000	–	–	–	–	1,131,000,000
Other receivables:							
Rent receivable	–	22,352,699	–	–	–	–	22,352,699
Advances to customers	–	19,171,796	–	79,660	33,810	1,016,200	20,301,466
Accrued interest	–	18,647,411	–	–	–	–	18,647,411
Advances to condominium corporations	–	4,300,991	–	–	–	–	4,300,991
Retention	–	2,962,088	–	–	–	–	2,962,088
Others	–	824,455	–	–	–	–	824,455
	₱2,474,880,300	₱1,554,045,683	₱4,904,232	₱3,722,876	₱142,124	₱1,398,769	₱4,039,093,984

The tables below show the credit quality by class of asset for loan-related consolidated statements of financial position lines based on the Group's credit rating system:

December 31, 2023:

	High Grade*	**Medium Grade****	**Total**
Financial assets			
Investments in trust funds	**₱36,950,627**	**₱–**	**₱36,950,627**
Cash and cash equivalents, excluding cash on hand	**685,683,140**	**–**	**685,683,140**
Short-term investments	**1,131,400,000**	**–**	**1,131,400,000**
Long-term investments	**100,000,000**	**–**	**100,000,000**
Installment contracts receivable	**–**	**42,099,506**	**42,099,506**
Notes receivable		**1,252,000,000**	**1,252,000,000**
Guaranty deposits	**–**	**157,299,438**	**157,299,438**
Refundable deposits		**16,647,403**	**16,647,403**
Other receivables:			
Accrued interest	**–**	**31,684,922**	**31,684,922**
Due from related party	**–**	**12,030,722**	**12,030,722**
Advances to customers	**–**	**11,361,428**	**11,361,428**
Rent receivable	**–**	**10,385,013**	**10,385,013**
Advances to condominium corporations		**7,167,660**	**7,167,660**
Retention	**–**	**1,582,091**	**1,582,091**
Others		**563,337**	**563,337**
Contract assets	**–**	**2,208,157,277**	**2,208,157,277**
Total	**₱1,954,033,767**	**₱3,750,978,797**	**₱5,705,012,564**

**High Grade - financial assets with reputable counterparties and which management believes to be reasonably assured to be recoverable.*
*** Medium Grade - financial assets for which there is low risk of default of counterparties.*

December 31, 2022:

	High Grade*	Medium Grade**	Total
Financial assets			
Investments in trust funds	₱34,235,354	₱–	₱34,235,354
Cash and cash equivalents, excluding cash on hand	1,106,355,549	–	1,106,355,549
Short-term investments	668,700,000	–	668,700,000
Long-term investments	200,000,000	–	200,000,000
Installment contracts receivable	–	28,748,261	28,748,261
Notes receivable		1,131,000,000	1,131,000,000
Guaranty deposits	–	320,149,438	320,149,438
Refundable deposits		14,926,875	14,926,875
Other receivables:			
Rent receivable	–	22,352,699	22,352,699
Advances to customers	–	20,301,466	20,301,466
Accrued interest	–	18,647,411	18,647,411
Advances to condominium corporations		4,300,991	4,300,991
Retention	–	2,962,088	2,962,088
Others	–	824,455	824,455
Contract assets	–	2,474,880,300	2,474,880,300
Total	₱2,009,290,903	₱4,039,093,984	₱6,048,384,887

Liquidity risk
Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of commercial papers.

The tables below summarize the maturity analysis of the consolidated financial assets held for managing liquidity and financial liabilities based on contractual undiscounted payments:

December 31, 2023:

	1-30 days	31-90 days	91-180 days	181-365 days	Above 1 year	Total
Financial Liabilities						
Accounts payable and accrued expenses*	**₱304,688,447**	**₱815,456**	**₱32,455,533**	**₱1,894,704**	**₱170,890,678**	**₱510,744,818**
Lease liabilities**	**428,195**	**856,391**	**1,293,737**	**2,537,928**	**10,818,824**	**15,935,075**
Notes payable and contract payable**	**526,434,478**	**594,514,995**	**129,598,405**	**–**	**–**	**1,250,547,878**
Pre-need reserves	**59,300**	**363,243**	**285,099**	**407,788**	**22,822,951**	**23,938,381**
	831,610,420	**596,550,085**	**163,632,774**	**4,840,420**	**204,532,453**	**1,801,166,152**
Financial Assets						
Cash and cash equivalents	**369,887,140**	**316,000,000**	**–**	**–**	**–**	**685,887,140**
Short-term investments***	**597,866,698**	**397,760,602**	**141,469,215**	**–**	**–**	**1,137,096,515**
Long-term investments***	**–**	**–**	**–**	**–**	**112,383,836**	**112,383,836**
Installment contracts receivable****	**10,926,646**	**1,236,160**	**1,127,637**	**3,327,601**	**25,955,081**	**42,573,125**
Notes receivable****	**119,431,592**	**757,538,381**	**385,147,222**	**–**	**–**	**1,262,117,195**
Guaranty deposit	**–**	**–**	**–**	**–**	**157,299,438**	**157,299,438**
Refundable deposits	**–**	**–**	**–**	**–**	**16,647,403**	**16,647,403**
Other receivables	**35,731,414**	**28,732,480**	**4,200,384**	**5,270,618**	**840,277**	**74,775,173**
Financial assets at FVOCI	**–**	**–**	**–**	**–**	**187,630,775**	**187,630,775**
Contract assets****	**66,635,644**	**128,970,378**	**185,362,964**	**280,681,343**	**1,560,987,960**	**2,222,638,289**
	1,200,479,134	**1,630,238,001**	**717,307,422**	**289,279,562**	**2,072,105,528**	**5,899,048,889**
Liquidity position	**₱415,424,922**	**₱1,033,687,916**	**₱553,658,859**	**₱284,448,576**	**₱1,867,580,121**	**₱4,097,882,737**

**Excludes statutory liabilities amounting to ₱10,492,943, deferred rent income amounting to ₱50,643,988, rental and customers' deposits amounting to ₱111,640,288, accrued interest amounting to ₱1,297,207, lease liabilities amounting to ₱14,179,192 and VAT payable amounting to ₱1,641,406.*

***Includes forecasted interest expense until the end of lease term of lease liabilities amounting to ₱1,755,883 and interest expense until maturity of notes payable and contract payable amounting to ₱12,991,428.*

****Includes interest to maturity for short-term investments amounting to ₱5,696,515 and long-term investments amounting to ₱12,383,836*

*****Includes interest to maturity for installment contract receivable amounting to ₱473,619, notes receivable amounting to ₱10,117,195 and contract assets amounting to ₱14,481,012*

December 31, 2022:

	1-30 days	31-90 days	91-180 days	181-365 days	Above 1 year	Total
Financial Liabilities						
Accounts payable and accrued expenses*	₱486,143,998	₱3,201,317	₱42,604,980	₱3,599,186	₱246,302,365	₱781,851,846
Lease liabilities**	428,195	538,319	624,466	516,884	947,618	3,055,482
Notes payable and contract payable**	483,911,607	573,324,562	80,870,960	7,549,400	–	1,145,656,529
Pre-need reserves	70,000	134,600	201,900	416,343	23,192,535	24,015,378
	970,553,800	577,198,798	124,302,306	12,081,813	270,442,518	1,954,579,235
Financial Assets						
Cash and cash equivalents	557,544,817	549,000,000	–	–	–	1,106,544,817
Short-term investments***	128,292,389	401,946,556	121,786,632	20,370,333	–	672,395,910
Long-term investments***	–	–	–	–	220,682,613	220,682,613
Installment contracts receivable****	5,299,928	4,378,328	1,182,158	2,557,793	15,653,472	29,071,679
Notes receivable****	125,098,958	381,721,730	528,705,532	–	104,245,578	1,139,771,798
Guaranty deposit	–	–	–	–	320,149,438	320,149,438
Refundable deposits	–	–	–	–	14,926,875	14,926,875
Other receivables	27,658,610	20,696,684	8,907,462	11,414,157	712,197	69,389,110
Financial assets at FVOCI	–	–	–	–	696,995	696,995
Contract assets	73,215,509	92,008,465	114,185,362	217,300,928	1,978,170,036	2,474,880,300
	917,110,211	1,449,751,763	774,767,146	251,643,211	2,655,237,204	6,048,509,535
Liquidity position (gap)	(₱53,443,589)	₱872,552,965	₱650,464,840	₱239,561,398	₱2,384,794,686	₱4,093,930,300

**Excludes statutory liabilities amounting to ₱16,025,205, deferred rent income amounting to ₱50,041,750, rental and customers' deposits amounting to ₱105,648,336, accrued interest amounting to ₱1,205,636, lease liabilities amounting to ₱2,926,552 and VAT payable amounting to ₱53,100.*

***Includes forecasted interest expense until the end of lease term of lease liabilities amounting to ₱128,930 and interest expense until maturity of notes payable and contract payable amounting to ₱12,257,129.*

****Includes interest to maturity for short-term investments amounting to ₱3,695,910 and long-term investments amounting to ₱20,682,613*

*****Includes interest to maturity for installment contract receivable amounting to ₱323,418 and notes receivable amounting to ₱8,771,798*

Fair Values

The following tables provide fair value hierarchy of the Group's financial assets, financial liabilities and investment properties, other than those with carrying amounts which are reasonable approximations of fair values:

Date of valuation: December 31, 2023

	Fair value		
	Level 1	**Level 2**	**Level 3**
Assets measured at fair value:			
Investment in trust fund			
Financial assets at FVPL	**₱4,572,274**	**₱–**	**₱–**
Financial assets at FVOCI	**681,157**	–	–
Investment properties	**–**	**–**	**6,839,400**
Financial assets at FVOCI	**187,630,775**	**–**	**–**
Assets for which fair values are disclosed:			
Investment properties	**–**	**–**	**9,048,280,748**
Real estate properties held for future development			**1,721,496,000**

Date of valuation: December 31, 2022

	Fair value		
	Level 1	Level 2	Level 3
Assets measured at fair value:			
Investment in trust fund			
Financial assets at FVPL	₱1,514,821	₱–	₱–
Financial assets at FVOCI			
Debt securities	1,002,449	–	–
Equity securities - listed	631,623	–	–
Investment properties	–	–	6,706,000
Financial assets at FVOCI	696,995	–	–
Assets for which fair values are disclosed:			
Investment properties	–	–	7,667,309,780
Real estate properties held for future development			1,540,946,800

The following method and assumptions were used to estimate the fair value of each class of financial instruments and investment properties, for which it is practicable to estimate such value.

Cash and cash equivalents, short-term and long-term investments, installment contracts receivable, notes receivable, other receivables, accounts payable and accrued expenses and notes and contract payable

Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, short-term investments, notes receivable, other receivables, accounts payable and accrued expenses and notes and contract payable approximate their carrying amounts. The fair values of long-term investments, notes receivable and installment contracts receivable approximate their carrying amounts as they carry interest rates that approximate the interest rates for comparable instruments in the market.

Financial assets at FVOCI

Financial assets at FVOCI are stated at fair value based on quoted market prices.

Investment properties and real estate properties held for future development
The fair value of certain investment properties and real estate properties held for future development are determined using sales comparison. Sales comparison approach considers the sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use.

Another method used in determining the fair value of other properties is based on the market data approach. The value is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others.

The fair values of the above properties as of December 31, 2023 and 2022 approximate and represent the highest and best use of the said properties.

27. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. It monitors its use of capital using leverage ratios on both gross debt and net debt basis. Debt consists of short-term debt. Debt coverage includes short-term debt less cash and cash equivalents, short-term investments and current portion of notes receivable. The Group considers as capital the equity holders of the parent company excluding unrealized fair value changes on financial assets at FVOCI and accumulated re-measurement on defined benefit plan.

The Group was able to meet its capital management objectives as of December 31, 2023 and 2022.

As of December 31, the Group has the following ratios:

	2023	2022
Notes and contract payable	**₱1,237,556,450**	₱1,133,399,400
Total equity holders of the Parent Company	**10,163,940,541**	9,427,761,514
Add (less):		
Unrealized fair value changes on FVOCI	**(7,633,682)**	(219,838)
Accumulated re-measurement on defined benefit plan	**21,072,310**	10,419,993
Capital	**₱10,177,379,169**	₱9,437,961,669
Debt-to-capital ratio	**0.12:1**	0.12:1

	2023	2022
Cash and cash equivalents	**₱685,887,140**	₱1,106,544,817
Short-term investments	**1,131,400,000**	668,700,000
Current portion of notes receivable	**1,252,000,000**	1,031,000,000
Notes and contract payable	**(1,237,556,450)**	(1,133,399,400)
Current portion of lease liabilities	**(4,415,979)**	(2,006,370)
Debt coverage	**₱1,827,314,711**	₱1,670,839,047

As of December 31, 2023, and 2022, the Group has no externally imposed capital requirements.

In accordance with the Rule on Minimum Public Ownership issued by the Philippine Stock Exchange (PSE) requiring listed companies to maintain a 10% public float at all times, the total number of shares owned by the public as of December 31, 2023 and 2022 are 1,671,988,994 shares and 1,624,851,294 shares, respectively, which are approximately 33.60% and 33.47%, respectively, of the total number of issued and outstanding shares of the Parent Company.

On August 2, 1983, the SEC and PSE approved the listing of the Parent Company's common shares totaling 10,000,000 shares. The shares were initially issued at an offer price of ₱10.00 per share.

After listing in 1983, there had been subsequent issuances covering a total of 4,855,121,595 shares.

Below is the summary of the Parent Company's track record of registration of securities with the SEC and PSE as at December 31, 2023:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2021	4,855,121,595	645
Add/(Deduct) movement	–	(7)
December 31, 2022	4,855,121,595	638
Add/(Deduct) movement	121,377,730	2
December 31, 2023	4,976,499,325	640

28. Basic/Diluted Earnings Per Share

Basic/diluted earnings per share amounts were computed as follows:

	2023	2022	2021
Net income attributable to equity holders of the Parent Company (a)	**₱882,560,366**	₱1,030,402,598	₱585,051,684
Weighted average number of outstanding shares (b)	**4,976,499,325**	4,976,499,325*	4,976,499,325*
Basic/diluted earnings per share (a/b)	**₱0.18**	₱0.21	₱0.12

**After retroactive effect of 5% stock dividends in 2023.*

The Group has no potential dilutive common shares as of December 31, 2023, 2022 and 2021. Thus, the basic and diluted earnings per share are the same as of those dates.

29. Business Segments

The Group derives its revenues primarily from the sale and lease of real estate properties and its investments in trust funds. These are the operating segments classified as business groups which are consistent with the segments reported to the BOD, its Chief Operating Decision Maker (CODM).

The Group does not have any major buyers and all sales and leases of real estate properties are made to external buyers.

Segment Revenue and Expenses

	2023			
	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Pension Plan Operations**	**Total**
Revenue:				
Sales of real estate	**₱2,177,856,699**	**₱–**	**₱–**	**₱2,177,856,699**
Financial income	**504,104,198**		**1,614,212**	**505,718,410**
Rent income	**–**	**219,785,579**	**–**	**219,785,579**
Other income - net	**129,244,604**	**–**	**4,546,577**	**133,791,181**
Costs of real estate sales	**(1,180,078,929)**	**–**	**–**	**(1,180,078,929)**
Operating expenses:				
Personnel	**(237,292,907)**	**–**	**(447,290)**	**(237,740,197)**
Taxes and licenses	**(67,520,918)**	**(29,346,943)**	**(10,613)**	**(96,878,474)**
Light, power and water	**(45,729,056)**	**–**	**(9,380)**	**(45,738,436)**
Professional fees	**(50,270,482)**	**–**	**(215,000)**	**(50,485,482)**
Depreciation	**(3,014,239)**	**(49,757,089)**	**(5,551,885)**	**(58,323,213)**
Others	**(87,769,039)**	**(28,345,625)**	**(3,445,996)**	**(119,560,660)**
Financial expenses	**(3,606,843)**	**–**	**–**	**(3,606,843)**
Benefit from (provision for) income tax	**(254,721,712)**	**(28,083,981)**	**2,307,157**	**(280,498,536)**
Net income (loss)	**₱881,201,376**	**₱84,251,941**	**(₱1,212,218)**	**₱964,241,099**

	2022			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Revenue:				
Sales of real estate	₱2,556,337,564	₱–	₱–	₱2,556,337,564
Financial income	383,091,333		111,787	383,203,120
Rent income	–	188,581,479	–	188,581,479
Other income - net	257,209,467	–	457,889	257,667,356
Costs of real estate sales	(1,188,728,457)	–	–	(1,188,728,457)
Operating expenses:				
Personnel	(241,523,259)	–	(665,756)	(242,189,015)
Taxes and licenses	(47,509,042)	(25,827,475)	(15,009)	(73,351,526)
Light, power and water	(41,135,430)	–	(8,863)	(41,144,293)
Professional fees	(57,095,452)	–	(391,400)	(57,486,852)
Depreciation	(6,514,008)	(49,887,081)	(1,453,420)	(57,854,509)
Others	(80,938,868)	(22,833,228)	(1,642,259)	(105,414,355)
Financial expenses	(3,204,377)	–	–	(3,204,377)
Benefit from (provision for) income tax	(358,164,695)	(22,508,424)	2,481,281	(378,191,838)
Net income (loss)	₱1,171,824,776	₱67,525,271	(₱1,125,750)	₱1,238,224,297

	2021			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Revenue:				
Sales of real estate	₱1,291,736,395	₱–	₱–	₱1,291,736,395
Financial income	380,674,740		258,096	380,932,836
Rent income	–	183,742,910	–	183,742,910
Other income	120,762,550	–	965,260	121,727,810
Costs of real estate sales	(648,939,898)	–	–	(648,939,898)

(Forward)

	2021			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Operating expenses:				
Personnel	(₱220,488,896)	₱–	(₱902,727)	(₱221,391,623)
Taxes and licenses	(44,413,208)	(24,416,822)	(17,953)	(68,847,983)
Light, power and water	(27,562,572)	–	(10,867)	(27,573,439)
Professional fees	(39,333,994	–	(215,500)	(39,549,494)
Depreciation	(3,418,550	(51,438,947)	(5,330,430)	(60,187,927)
Others	(52,366,123	(19,868,762)	(1,005,378)	(73,240,263)
Financial expenses	(2,408,933	–	–	(2,408,933)
Benefit from (provision for) income tax	(143,935,150)	(22,004,595)	3,086,329	(162,853,416)
Net income (loss)	₱610,306,361	₱66,013,784	(₱3,173,170)	₱673,146,975

Segment Assets and Liabilities

December 31, 2023:

	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Pension Plan Operations**	**Total**
Total assets	**₱11,603,788,751**	**₱2,190,986,125**	**₱92,873,198**	**₱13,887,648,074**
Total liabilities	**(2,262,842,805)**	**(4,373,606)**	**(30,308,881)**	**(2,297,525,292)**
Additions to:				
Real estate properties held for future development	**1,197,515**	**–**	**–**	**1,197,515**
Investment properties	**–**	**293,039,256**	**–**	**293,039,256**

December 31, 2022:

	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Total assets	₱10,967,321,856	₱2,412,409,565	₱98,211,441	₱13,477,942,862
Total liabilities	(2,598,767,307)	(7,549,400)	(29,260,551)	(2,635,577,258)
Additions to:				
Real estate properties held for future development	454,570	–	–	454,570
Investment properties	–	824,385,375	–	824,385,375

30. **Contingencies**

The Group is contingently liable for certain lawsuits or claims filed by third parties which are either pending decisions by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Hence, no provision was recognized as of December 31, 2023 and 2022.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Cityland Development Corporation
2/F, Cityland Condominium 10, Tower I
156 H.V. de la Costa Street
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Cityland Development Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and have issued our report thereon dated March 20, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle
Partner
CPA Certificate No. 106471
Tax Identification No. 220-881-929
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079932, January 5, 2024, Makati City

March 20, 2024

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Cityland Development Corporation
2/F, Cityland Condominium 10, Tower I
156 H.V. de la Costa Street
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Cityland Development Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 20, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle
Partner
CPA Certificate No. 106471
Tax Identification No. 220-881-929
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079932, January 5, 2024, Makati City

March 20, 2024

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E

Schedule A. Financial Assets

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Cash and Cash Equivalents				
Cash on hand and in banks	₱–	₱104,919,024	₱104,919,024	₱2,087,566
Cash equivalents				
Amalgamated Investment Bancorporation	–	–	–	8,852,716
China Bank Savings	–	131,500,000	131,500,000	12,821,193
Citysavings Bank	–	88,500,000	88,500,000	27,415,593
First Metro Investment Corporation	–	–	–	8,014,184
Malayan Bank	–	–	–	2,305,653
Metro Bank	–	–	–	366,111
Philippine National Bank	–	–	–	2,110,550
Philippine Savings Bank		–	–	2,927,171
Philippine Trust Company	–	72,500,000	72,500,000	24,281,828
Robinsons Savings Bank	–	–	–	5,417
Philippine Commercial Capital Inc.	–	–	–	198
Far East Bank and Trust Company	–	–	–	2,222
Landbank of the Philippines	–	288,468,116	288,468,116	17,632,790
	₱–	**₱685,887,140**	**₱685,887,140**	**₱108,823,192**
Short-term Investments				
Amalgamated Investment Bancorporation	₱–	₱177,700,000	₱177,700,000	₱2,047,712
Citysavings Bank	–	349,100,000	349,100,000	3,713,677
First Metro Investment Corporation	–	100,000,000	100,000,000	483,137
Landbank of the Philippines	–	134,100,000	134,100,000	1,148,488
Philippine National Bank	–	370,500,000	370,500,000	6,698,456
	₱–	**₱1,131,400,000**	**₱1,131,400,000**	**₱14,091,470**

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Long-term Investments				
First Metro Investment Corporation	₱–	₱100,000,000	₱100,000,000	₱286,141
	₱–	**₱100,000,000**	**₱100,000,000**	**₱286,141**
Financial Assets at FVOCI				
Ayala Corp. "B" Preferred	227	₱154,587	₱154,587	₱–
Ayala Land "B" Preferred	16,875	1,688	1,688	–
San Miguel Corp.- 2L Preferred	1,333,400	105,338,600	105,338,600	–
San Miguel Corp.- 2N Preferred	1,066,700	82,135,900	82,135,900	–
	2,417,202	**₱187,630,775**	**₱187,630,775**	**₱–**
Investments in Trust Funds	–	₱36,950,627	₱36,950,627	₱–
Installment Contracts Receivable and Contract Assets	–	2,250,256,783	2,250,256,783	282,447,621
Notes Receivable	–	1,252,000,000	1,252,000,000	82,237,746
Guaranty Deposit	–	157,299,438	157,299,438	17,817,279
Refundable Deposit	–	16,647,403	16,647,403	–
Other Receivables	–	74,775,173	74,775,173	–
	–	**3,787,929,424**	**3,787,929,424**	**382,502,646**
	2,417,202	**₱5,892,847,339**	**₱5,892,847,339**	**₱505,703,449**

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period

Not applicable. The Group has no receivable from directors, officers, employees, related parties and principal stockholders (other than related parties).

Schedule C. Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
CPI (Subsidiary)	₱39,290	₱5,189,775	₱2,851,869	₱–	₱2,337,196	₱–	₱2,337,196
CLDI (Subsidiary)	477,702	51,497,413	34,229,051	–	17,746,064	–	17,746,064

Parent Company's transactions with CLDI and CPI are eliminated in the consolidated financial statements.

Schedule D. Intangible Assets - Other Assets

Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
		Not Applicable. The Group has no intangible assets.				

Schedule E. Long-term Debt

Title of Issue and type of Obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
	Not applicable. The Group has no long-term debt.		

Schedule F. Indebtedness to Related Parties

Name of related parties	Balance at beginning of period	Balance at end of period
Directors fees	₱40,933,292	₱31,571,135
Ultimate parent company (CI)	1,163,475	4,191,887

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Not applicable. The Group has no guarantees of securities of other issuers.				

Schedule H. Capital Stock

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at shown under related Statements of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock - ₱1.00 par value	5,000,000,000	4,976,499,325 (net of 1,937,947 treasury stock)	–	2,546,156,704	758,353,627	1,671,988,994

SCHEDULE II

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2023

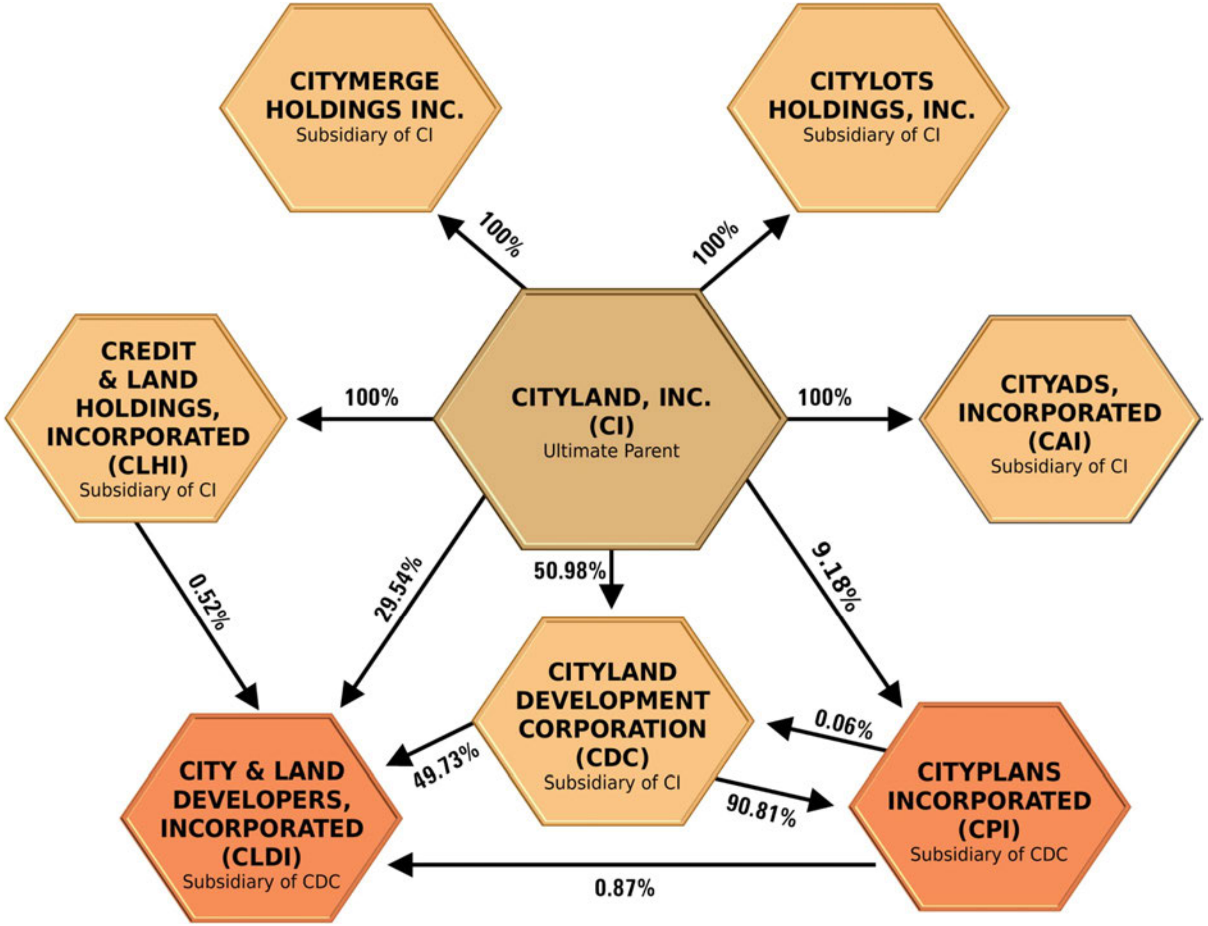
Unappropriated Retained Earnings, December 31, 2022		**₱2,882,569,828**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(264,604,125)	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Others	–	
Sub-total		(264,604,125)
Unappropriated Retained Earnings, as adjusted		**2,617,965,703**
Add: Net income for the current year		**841,452,567**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	–	
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of investment property	–	
Fair value adjustment arising from repossessed inventories	(622,517)	
Sub-total		(622,517)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of investment property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income		**840,830,050**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(6,977,858)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Sub-total		(6,977,858)
Total Retained Earnings Available for Dividend Declaration, December 31, 2023		**₱3,451,817,895**

SCHEDULE III

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



SCHEDULE IV

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Financial Ratios	December 31		
	2023	2022	2021
Current	**5.13**	3.70	3.84
Asset-to-equity	**1.36**	1.43	1.42
Debt-to-equity	**0.12**	0.12	0.11
Asset-to-liability	**6.04**	5.11	5.12
Solvency	**0.45**	0.49	0.31
Interest rate coverage	**545.78**	903.40	481.41
Acid-test	**2.25**	1.57	1.79
Net profit margin	**56.15%**	36.63%	34.03%
Return on equity (%)	**8.68%**	10.93%	6.88%
Return on asset (%)	**6.94%**	9.19%	5.57%
Basic/Diluted earnings per share*	**₱0.18**	₱0.21	₱0.12

**After retroactive effect of 5% stock dividends in 2021.*

Manner of Calculations:

Current ratio = Total Current Assets / Total Current Liabilities

Asset-to-equity ratio = $\frac{\text{Total Assets}}{\text{Total equity attributable to equity holders of the Parent Company (net of unrealized fair value changes on financial assets at fair value through FVOCI and accumulated re-measurement on defined benefit plan)}}$

Debt-to-equity ratio = $\frac{\text{Notes and Contracts Payable}}{\text{Total equity attributable to equity holders of the Parent Company (net of unrealized fair value changes on financial assets at fair value through FVOCI and accumulated re-measurement on defined benefit plan)}}$

Asset-to-liability ratio = Total Assets / Total Liabilities

Solvency ratio = $\frac{\text{Net Income after Tax + Depreciation Expense}}{\text{Total Liabilities}}$

Interest rate coverage ratio = $\frac{\text{Net Income Before Tax + Depreciation Expense + Interest expense on security deposits and others + Interest expense on lease liabilities}}{\text{Interest expense on security deposits and others + Interest expense on lease liabilities}}$

Acid-test ratio = $\frac{\text{Cash and Cash Equivalents + Short-term Investments + Installment Contracts Receivable, current + Contract Assets, Current + Notes Receivable, current + Other Receivables, current}}{\text{Total Current Liabilities}}$

Net profit margin = $\frac{\text{Net Income after Tax}}{\text{Total Revenue and Income}}$

Return on equity ratio	=	$\dfrac{\text{Net Income after Tax attributable to equity holders of the Parent Company}}{\text{Stockholder's Equity attributable to equity holders of the Parent Company}}$
Return on assets ratio	=	$\dfrac{\text{Net Income after Tax}}{\text{Total Asset}}$
Basic/Diluted earnings per share	=	$\dfrac{\text{Net income after Tax}}{\text{Outstanding number of shares}}$

SCHEDULE V

CITYLAND DEVELOPMENT CORPORATION

SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2023

SEC-MSRD Order No. 72, Series of 2022 dated October 20, 2022

A. As stated in the Final Prospectus (October 20, 2022 to October 20, 2023)		
Gross Proceeds		**₱1,500,000,000**
Less: Expenses		
Documentary Stamps Tax	₱11,250,000	
Registration Fees	757,500	
Printing Costs	75,000	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	12,175,800
Net Proceeds		**₱1,487,824,200**
Use of Proceeds		
Project-related Costs		₱1,189,730,000
Payment of Maturing Notes		281,723,200
Interest Expense		16,371,000
Total		**₱1,487,824,200**
B. Use of Proceeds		
Total Gross Proceeds (October 20, 2022 to October 20, 2023)		**₱5,350,000,000**
Less: Expenses		
Documentary Stamps Tax	₱7,953,495	
Registration Fees	757,500	
Printing Costs	67,050	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	8,871,345
Total Net Proceeds		**₱5,341,128,655**
Less: Use of Proceeds		
Payment of Maturing Notes	₱4,442,324,710	
Project-related Costs	898,803,945	5,341,128,655
Balance of Proceeds as of October 20, 2023		**₱–**

CITYLAND DEVELOPMENT CORPORATION
SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2023

SEC-MSRD Order No. 59, Series of 2023 dated October 19, 2023

A. As stated in the Final Prospectus (October 19, 2023 to October 19, 2024)

Gross Proceeds		**₱1,100,000,000**
Less: Expenses		
Documentary Stamps Tax	₱8,250,000	
Registration Fees	656,500	
Printing Costs	55,000	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	9,054,800
Net Proceeds		**₱1,090,945,200**
Use of Proceeds		
Project-related Costs		₱1,000,000,000
Payment of Maturing Notes		78,958,500
Interest Expense		11,986,700
Total		**₱1,090,945,200**

B. Use of Proceeds

Total Gross Proceeds (October 19, 2023 to December 31, 2023)		**₱1,044,500,000**
Less: Expenses		
Documentary Stamps Tax	₱1,801,027	
Registration Fees	656,500	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	
Printing Costs	11,450	2,562,277
Total Net Proceeds		**₱1,041,937,723**
Less: Use of Proceeds		
Payment of Maturing Notes	₱824,948,522	
Project-related Costs	216,989,201	1,041,937,723
Balance of Proceeds as of December 31, 2023		**₱–**

C. Outstanding Commercial Papers as of December 31, 2023

SEC-MSRD Order No. 72, Series of 2022 dated October 20, 2022	**₱208,000,000**
SEC-MSRD Order No. 59, Series of 2023 dated October 19, 2023	**983,000,000**
TOTAL	**₱1,191,000,000**

CITYLAND DEVELOPMENT CORPORATION

SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2022

SEC-MSRD Order No. 69, Series of 2021 dated October 20, 2021

A. As stated in the Final Prospectus (October 20, 2021 to October 20, 2022)

Gross Proceeds		**₱1,500,000,000**
Less: Expenses		
Documentary Stamps Tax	₱11,250,000	
Registration Fees	757,500	
Printing Costs	75,000	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	12,175,800
Net Proceeds		**₱1,487,824,200**
Use of Proceeds		
Project-related Costs		₱952,700,000
Payment of Maturing Notes		517,217,200
Interest Expense		17,907,000
Total		**₱1,487,824,200**

B. Use of Proceeds (October 20, 2021 to October 20, 2022)

Gross Proceeds as of September 30, 2022	₱6,070,450,000	
Add: Issued Notes (October 1 to October 20, 2022)	381,750,000	
Total Gross Proceeds as of December 31, 2022		₱6,452,200,000
Less: Expenses		
Documentary Stamps Tax	₱8,773,634	
Registration Fees	757,500	
Printing Costs	80,750	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	9,705,184
Total Net Proceeds		₱6,442,494,816
Less: Use of Proceeds		
Payment of Maturing Notes	₱5,836,642,452	
Project-related Costs	600,563,926	
Interest Expense	5,288,438	6,442,494,816
Balance of Proceeds as of December 31, 2022		₱–

CITYLAND DEVELOPMENT CORPORATION

SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2022

SEC-MSRD Order No. 72, Series of 2022 dated October 20, 2022

A. As stated in the Final Prospectus (October 20, 2022 to October 20, 2023)

Gross Proceeds		**₱1,500,000,000**
Less: Expenses		
Documentary Stamps Tax	₱11,250,000	
Registration Fees	757,500	
Printing Costs	75,000	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	12,175,800
Net Proceeds		**₱1,487,824,200**
Use of Proceeds		
Project-related Costs		₱1,189,730,000
Payment of Maturing Notes		281,723,200
Interest Expense		16,371,000
Total		**₱1,487,824,200**

B. Use of Proceeds (October 20, 2022 to December 31, 2022)

Gross Proceeds as of September 30, 2022	₱–	
Add: Issued Notes (October 20 to December 31, 2022)	992,250,000	
Total Gross Proceeds as of December 31, 2022		₱992,250,000
Less: Expenses		
Documentary Stamps Tax	₱1,598,903	
Registration Fees	757,500	
Exemptive Relief	50,500	
Publication Fees	22,800	
Legal and Accounting Fees	20,000	
Printing Costs	11,300	2,461,003
Total Net Proceeds		₱989,788,997
Less: Use of Proceeds		
Payment of Maturing Notes	₱792,819,725	
Project-related Costs	196,969,272	989,788,997
Balance of Proceeds as of December 31, 2022		₱–

C. Outstanding Commercial Papers as of December 31, 2022

SEC-MSRD Order No. 69, Series of 2021 dated October 20, 2021	₱185,050,000
SEC-MSRD Order No. 72, Series of 2022 dated October 20, 2022	940,800,000
TOTAL	**₱1,125,850,000**