COVER SHEET

SEC Registration Number

1 5 2 6 6 1

COMPANY NAME

C I T Y & L A N D D E V E L O P E R S ,
I N C O R P O R A T E D

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

3 / F C i t y l a n d C o n d o m i n i u m 1 0 ,
T o w e r I , 1 5 6 H . V . D e l a C o s t a
S t r e e t , M a k a t i C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
2 0 - I S	M S R D	N / A

(Preliminary Information Statement)

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
744 (as of March 31, 2024)	**2nd Tuesday of June**	**December 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.*

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CITY & LAND
DEVELOPERS, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting (ASM) of **CITY & LAND DEVELOPERS, INCORPORATED (the Company)** will be held virtually or via remote communication on **June 11, 2024, Tuesday at 4:00PM.**

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 10, 2024 are entitled to attend and vote in the said meeting.

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 to 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 4:00 PM of June 4, 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 procedure 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 21, 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. Crescensio P. Montemayor - *President*), through (02)8687-4053 or via email info@professionalstocktransfer.com.

We encourage all registered stockholders to log onto the meeting link 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 13, 2023 will be available upon request.

Makati City, April 25, 2024

FOR THE BOARD OF DIRECTORS

ATTY. ANDRE ANTON S. SUAREZ
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 second 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 11, 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 Rules of Conduct and 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 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 requires 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 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 13, 2023.

The Chairman will request the Secretary to read the minutes of the said meeting. The minutes of ASM held last June 13, 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 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 the 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 auditors 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 City & Land Developers, Incorporated (the Company) with SEC Registration No. of 152661 with principal office address at 3/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 City & Land Developers, Incorporated;

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 City & Land Developers, Incorporated 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 **25th day of April, 2024.**

Rudy Go
Affiant

SUBSCRIBED AND SWORN to before me this day MANILA at APR 2 5 2024, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

Doc. No. 242;
Page No. 70;
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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

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

1. Check the appropriate box:

   [x] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter **City & Land Developers, Incorporated**

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

4. SEC Identification Number **152661**

5. BIR Tax Identification Code **000-444-840**

6. **3/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 11, 2024**
   Time - **4:00 PM**
   Place - **Virtually or via ZOOM**

9. Approximate date on which the Information Statement is to be first sent or given to security holders **May 21, 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	**1,578,542,601**

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 11, 2024
Time	-	4:00 P.M.
Place	-	Virtually or via ZOOM
Principal Office	-	3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Philippines

Approximate date on which the Information Statement is to be first sent or given to security holders **May 21, 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

a. 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.

b. 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

a. The Registrant has **1,578,542,601** unclassified common shares issued and outstanding 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.

b. The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting and to this Information Statement is on **May 10, 2024.**

c. 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.

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

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified common shares	Cityland Development Corporation 2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City -principal stockholder	- same as record owner -	Filipino	785,013,999	49.73%
Unclassified common shares	Cityland, Inc. 3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City -principal stockholder	- same as record owner -	Filipino	466,267,641	29.54%

The following directors direct the voting or disposition of shares held by Cityland Development Corporation (beneficial owners) as of March 31, 2024:

Title of Class	Name, Address of Record Owner & Relationship with Cityland Development Corporation	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified common shares	Dr. Andrew I. Liuson Director/Chairman of the Board	- same as record owner -	Filipino	181,096,745	3.64%

Unclassified common shares	Mrs. Grace C. Liuson Director/Vice Chairman of the Board	- same as record owner -	Filipino	238,252,393	4.79%
Unclassified common shares	Mr. Josef C. Gohoc Director/President	- same as record owner -	Filipino	120,213,712	2.41%
Unclassified common shares	Mrs. Helen C. Roxas Director	- same as record owner -	Filipino	75,646,299	1.52%
Unclassified common shares	Mr. Peter S. Dee Independent Director/ Chairman-Audit & Risk Committee	- same as record owner -	Filipino	636,314	0.01%
Unclassified common shares	Mr. George Edwin SyCip Independent Director/Chairman-Corporate Governance Committee	- same as record owner -	American	1,263	–
Unclassified common shares	Bp. Eduardo C. Villanueva Independent Director	- same as record owner -	Filipino	1,076	–
Unclassified common shares	Mr. Benjamin I. Liuson Director	- same as record owner -	Filipino	536,836	0.01%
Unclassified common shares	Mr. Jefferson C. Roxas Director	- same as record owner -	Filipino	131,867,476	2.65%

The following directors/stockholder direct the voting or disposition of the shares held by Cityland, Inc. (beneficial owners) as of March 31, 2024:

Title of Class	Name, Address of Record Owner & Relationship with Cityland, Inc.	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
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%

Title of Class	Name, Address of Record Owner & Relationship with Cityland, Inc.	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
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/Chairman-Audit & Risk Committee/Chairman-Corporate Governance Committee	- 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%
Unclassifies common shares	The Good Seed Sower Foundation Inc 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%
Unclassified common shares	Mrs. Lucy Fan Stockholder owning more than 5% of Cityland, Inc.	-same as record owner -	American	14,241,574	9.09%

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

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Directors:					
Unclassified common shares	Cesar E.A. Virata Independent Director / Chairman of the Board	Filipino	108,640	0.00%	Direct

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Unclassified common shares	Dr. Andrew I. Liuson Director / Vice Chairman of the Board	Filipino	19,961,839	1.26%	Direct / Indirect
Unclassified common shares	Grace C. Liuson Director / Deputy Vice Chairman of the Board	Filipino	7,427,662	0.47%	Direct
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	3,846,241	0.24%	Direct / Indirect
Unclassified common shares	Helen C. Roxas Director	Filipino	157,840	0.01%	Direct
Unclassified common shares	Peter S. Dee Independent Director / Chairman - Audit and Risk Committee	Filipino	2,327,213	0.15%	Direct
Unclassified common shares	Benjamin I. Liuson Director	Filipino	1,239,265	0.08%	Direct
Unclassified common shares	Jefferson C. Roxas Director	Filipino	6,666,140	0.42%	Direct
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Chief Operating Officer	Filipino	490,863	0.03%	Direct / Indirect
Executive Officers:					
Unclassified common shares	Cesar E.A. Virata Independent Director / Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Andrew I. Liuson Director / Vice Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Grace C. Liuson Director / Deputy Vice Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	_	_	_
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Chief Operating Officer	Filipino	_	_	_
Unclassified common shares	Rudy Go Senior Vice President / Chief Financial Officer / Treasurer / Compliance Officer & Corporate Information Officer / Data Protection Officer / Investor Relations Officer	Filipino	324,166	0.02%	Direct
Unclassified common	Melita L. Tan Vice President	Filipino	71,631	0.00%	Direct

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
shares					
Unclassified common shares	Rosario D. Perez Vice President – Executive Affairs	Filipino	250,854	0.02%	Direct
Unclassified common shares	Atty. Andre Anton S. Suarez Corporate Secretary	Filipino	_	_	_
Unclassified common shares	Jocelyn C. De Asis Assistant Corporate Secretary	Filipino	31,098	0.00%	Direct
Unclassified common shares	Hazel Anne C. Paule Head of Internal Audit Department	Filipino	_	_	_
Security Ownership of All Directors and Officers			**42,903,452**	**2.72%**	

f. The Registrant has no knowledge of any person holding more than 5% of common shares under voting trust or similar agreement.

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

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

Nationality	Number of shares	Percentage of ownership
Local-owned shares (Filipino)	1,565,532,411	99.18
Foreign-owned shares (Non-Filipino)	13,010,190	0.82
Total	1,578,542,601	100.00

V. Directors and Executive Officers

a. 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:

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Cesar E.A. Virata	Filipino	Chairman of the Board Independent Director Chairman – Corporate Governance Committee	09/05/2022 - Present 06/09/2009 - Present 04/06/2018 - Present	1	93	-
Dr. Andrew I. Liuson	Filipino	Director Vice Chairman of the Board Chairman of the Board Acting Chairman of the Board Vice Chairman of the Board	06/28/1988 - Present 09/05/2022 - Present 08/25/2020 - 09/04/2022 01/15/2020 - 08/24/2020 01/16/2008 - 01/14/2020	1	79	Husband of Grace C. Liuson and brother of Benjamin I. Liuson
Grace C. Liuson	Filipino	Director Deputy Vice Chairman of the Board Vice Chairman of the Board Deputy Vice Chairman of the Board	06/28/1988 - Present 09/05/2022 - Present 08/25/2020 - 09/04/2022 02/01/2011 - 08/24/2020	1	78	Wife of Andrew I. Liuson; sister-in-law of Helen C. Roxas; aunt of Josef C. Gohoc and Jefferson C. Roxas

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Josef C. Gohoc	Filipino	Director President	01/04/2011 - Present 02/01/2011 - Present	1	54	Nephew of Andrew I. Liuson, Grace C. Liuson and Helen C. Roxas; and cousin of Jefferson C. Roxas
Helen C. Roxas	Filipino	Director	06/28/1988 - Present	1	74	Sister-in-law of Grace C. Liuson and Dr. Andrew I. Liuson; mother of Jefferson C. Roxas; and aunt of Josef C. Gohoc
Peter S. Dee	Filipino	Independent Director Chairman-Audit & Risk Committee	11/22/2004 – Present 11/22/2004 - Present	1	82	--
Benjamin I. Liuson	Filipino	Director	06/11/2019 - Present	1	74	Brother of Dr. Liuson; and brother-in-law of Grace C. Liuson
Jefferson C. Roxas	Filipino	Director	12/07/2021 - Present	1	41	Nephew of Dr Andrew I. Liuson, Grace C. Liuson; son of Helen C. Roxas; and cousin of Josef C. Gohoc
Emma A. Choa	Filipino	Director Executive Vice President Chief Operating Officer Treasurer	08/25/2020 - Present 01/01/2015 - Present 06/13/2023 - Present 02/01/2011 – 06/12/2023	1	63	--
Rudy Go	Filipino	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer Treasurer Data Protection Officer Investor Relations Officer	01/01/2015 - Present 06/13/2023 - Present 08/29/2017 - Present 06/14/2018 - Present	1	64	--
Melita L. Tan	Filipino	Vice President	02/21/2004 - Present	1	63	--
Rosario D. Perez	Filipino	Vice President – Executive Affairs	02/09/2017 - Present	1	64	--
Atty. Andre Anton S. Suarez	Filipino	Corporate Secretary	04/05/2021 - Present	1	35	--
Jocelyn C. De Asis	Filipino	Assistant Corporate Secretary	07/03/2013 - Present	1	54	--
Hazel Anne C. Paule	Filipino	Head of Internal Audit Department	01/01/2024 - Present	1	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 (5) years up to present:

1. **Cesar E.A. Virata**

Name of Office	Position	Date Assumed
Present positions in other institutions:		
ATAR IV Property Holding Company, Inc.	Chairman & Director	2012
Rizal Commercial Banking Corp.	Director & Corporate Vice Chairman	1995
Malayan Insurance Co., Inc.	Director	2005
RCBC Realty Corporation	Director	1998
Luisita Industrial Park	Director	1999
	Vice Chairman	2012
Business World Publishing Corp.	Vice Chairman	2012
	Independent Director	1989
Malayan Education System, Inc. (operating under the name Mapua Institute of Technology)	Trustee	1999
Cavitex Holdings Corporation	Chairman & Director	2016
YGC Corporate Services, Inc.	Director	2001
ALTO Pacific Company, Inc.	Chairman & Director	2014
RCBC Land, Inc.	President & Director	1999
RCBC Bankard Services Corp.	Chairman	2013
	Director	2001
AY Foundation, Inc.	Trustee	1997
Yuchengco Center	Trustee	1994
Niyog Property Holdings, Inc.	Director	2005
Lopez Holdings Corporation	Adviser	2021
World Trade Center Management, Inc.	Director	1995
Cajel Realty Corporation	Director	2020
Tan Yan Kee Foundation, Inc.	Trustee	2008
IFI Support Foundation, Inc.	Trustee	1998
UP Business Research Foundation, Inc.	Chairman Emeritus	2021
Yuchengco Museum	Trustee	2006
UCM Philippines Foundation, Inc.	Chairman	2020
PDS Holding Corporation	Chairman Emeritus	2006
Cavite Historical Society	Chairman/Trustee	2009
Past positions in other institutions:		
RCBC International Finance, Ltd. HK	Director	2002 to 2017
C. Virata & Associates, Inc.	Chairman/President	1986 to 2018
RCBC Savings Bank	Director	1999 to 2019
Micah Quality Property Dev. Corporation	Chairman/Director	2017 to 2020
Belle Corporation	Director (Independent)	1996 to 2021
Lopez Holdings Corporation	Director (Independent)	2009 to 2021

2. **Dr. Andrew I. Liuson**

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	September 25,1979
	Chairman of the Board	December 13, 2017
Cityland, Inc.	Director	May 15, 1979
	Acting Chairman of the Board	December 7, 2021
Febias College of Bible	Chairman	
International Graduate School of Leadership	Chairman	
Philippine Council of Evangelical Churches	Chairman	
Makati Gospel Church	President/Trustee	
Past positions in other institutions:		
Cityland Development Corporation	Vice Chairman of the Board	January 16, 2008 - December 12, 2017
Cityland, Inc.	President	July 1, 1997 - January 15, 2008

Cityplans, Incorporated	Director	October 27, 1988 - March 8, 2022
	Chairman of the Board	September 5, 2006 - March 8, 2022

3. Grace C. Liuson

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	September 25,1979
	Vice Chairman of the Board	January 5, 2018
Cityland, Inc.	Director	May 15, 1979
	Vice Chairman of the Board	February 1, 2022
Youth Gospel Center in the Philippines	Treasurer / Trustee	
Makati Gospel Church	Treasurer / Trustee	
Past positions in other institutions:		
Cityland Development Corporation	Deputy Vice Chairman of the Board	February 1, 2011 - January 4, 2018
Cityland, Inc.	President	February 14, 2008 - January 31, 2011
Cityplans, Incorporated	Director	October 27, 1988 - March 8, 2022
	Executive Vice President / Treasurer	September 25, 2006 - March 8, 2022

4. Josef C. Gohoc

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	January 4, 2011
	President	February 1, 2011
Cityland, Inc.	Director	June 29, 2007
	President	February 1, 2011
Cityplans, Incorporated	Chairman of the Board	March 8, 2022
Credit and Land Holdings, Inc.	President	March 4, 2023
Cityads, Incorporated	President	July 20, 2023
CityLots Holdings, Inc.	Director	October 24, 2023
CityMerge Holdings Inc.	Director	October 24, 2023
Asian Business Solutions, Inc.	Director	1996
Philippine Trading & Investment Corporation	Director	1997
Atlas Agricultural & Mercantile Development Corp.	Director	1997
Febias College of Bible	Board of Trustee	2015
International Graduate School of Leadership	Board of Trustee	--
The Good Sower Foundation, Inc.	Board of Trustee / Chairman	February 1, 2024

5. Peter S. Dee

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Alpolac, Inc.	Director	1994
China Banking Corpporation	Director	1977
CBC Properties & Computer Center, Inc.	Director / President	1984
Cityland, Inc.	Independent Director	December 2006
	Chairman- Audit & Risk Committee	January 2007
	Chairman- Corporate Governance Committee	July 27, 2018
Cityland Development Corporation	Independent Director	October 1979
	Chairman- Audit & Risk Committee	August 2002
Commonwealth Foods, Inc.	Director	May 2013
GDSK Development Corporation	Director	1990
Makati Curbs Holdings Corporation	Director	2012
Great Expectation Holdings, Inc.	Director / Chairman/ President	October 2012
The Big D Holdings Corporation	Director / Chairman/ President	April 2013

Name of Office	Position	Date Assumed
Past positions in other institutions:		
Cityplans, Incorporated	Independent Director	July 17, 1990 - March 8, 2022
	Chairman- Compensation Committee	2002 - March 8, 2022
	Chairman- Audit Committee	
	Member- Nomination and Election Committee	
CBC Insurance Brokers, 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	
China Banking Corp. ***	President & CEO	
CBC Forex Corporation ****	Director / Chairman of the Board	
Asean Finance Corporation Limited	Director	
Kemwerke, Inc.	Director	
Hydee Management & Resources Corporation	Director	

* ceased operations
** resigned
*** retired
**** dissolved

6. Helen C. Roxas

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	September 25, 1979
Cityland, Inc.	Director	May 15, 1979
Good Tidings Foundation, Inc.	Treasurer	1992
Center for Community Transformation	Trustee	
CCT Kaibigan Ministry	Corporate Secretary	
Jefcon Incorporated	President	
Obadiah Incorporated	President	
Christian Executives Inc.	Treasurer	
Past Positions in other institutions:		
Cityplans, Incorporated	Director	October 27, 1988 - March 8, 2022
	Trustee	2015 - May 2020
MGC New Life Christian Academy		
Cityads, Incorporated	Director	
Credit & Land Holding, Inc.	Director	

7. Benjamin I. Liuson

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	June 6, 2019
Cityland, Inc.	Director	November 19, 2019
The Generics Pharmacy, Inc	Chairman	2020
TGP Pharma Inc.	Chairman	2020
CL Realty Developrnent Inc.	President	1989
Romans 828 Land Inc.	President	2010
Silverwind Allov Castings lnc.	Director	1989
Drugmakers Lab Inc.	Director	2012
Febias College of Bible	Trustee	2001
Center for Community Transformation lnc.	Trustee	2001
Gospel Operation Phil Inc.	Trustee	2011
Bless Foundation Inc.	Trustee	2014
Global Filipino Movement. Inc.	Trustee	2013

Name of Office	Position	Date Assumed
Makati Gospel Church	Trustee	1990
Jedidiah Inc.	President	1996
Keziah Inc.	President	1996
Past Positions in other institution:		
The Generics Pharmacy, Inc.	Vice Chairman	2016 - 2020

8. Jefferson C. Roxas

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	December 7, 2021
Cityland, Inc.	Director	December 7, 2021
Cityplans, Incorporated	President	March 1, 2022
Cityads, Incorporated	Executive Vice President	March 4, 2023
Credit and Land Holdings, Inc.	Director / Chairman of the Board	July 20, 2023
CityLots Holdings, Inc.	Director	October 24, 2023
CityMerge Holdings Inc.	Director	October 24, 2023
The Good Seed Sower Foundation, Inc.	Corporate Secretary	February 1, 2024

9. Emma A. Choa

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Executive Vice President	January 1, 2015
Cityland, Inc.	Executive Vice President	January 1, 2015
Cityplans, Incorporated	Director	Mar. 8, 2022
Credit and Land Holdings, Inc.	Board Member	July 20, 2023
CityMerge Holdings Inc.	Director/Treasurer	October 24, 2023
WorldNet Information and Services, Inc.	Treasurer	--
Past positions in other institution:		
Cityland Development Corporation	Director	
Cityland Development Corporation	Treasurer	February 1, 2011 - June 20, 2023
Cityland, Inc.	Treasurer	February 1, 2011 - June 20, 2023
The Good Seed Sower Foundation, Inc.	Board of Trustee	May 28, 2021 - January 31, 2024

10. Rudy Go

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer	January 1, 2015
	Treasurer	June 7, 2023
	Data Protection Officer	August 29, 2017
	Investor Relations Officer	June 6, 2018
Cityland, Inc.	Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer	January 1, 2015
	Treasurer	June 21, 2023
	Data Protection Officer	August 29, 2017
	Investor Relations Officer	June 16, 2021
Cityplans, Incorporated	Senior Vice President/ Compliance Officer	January 1, 2015
	Data Protection Officer	August 29, 2017
Cityads, Incorporated	Treasurer	March 4, 2023
Credit and Land Holdings, Inc.	Treasurer/Board Member	July 20, 2023
CityLots Holdings, Inc.	Director/Treasurer	October 24, 2023

11. Melita M. Revuelta *(retired effective December 31, 2023)*

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Vice President	January 16, 2008 - December 31, 2023
	Alternate Compliance Officer & Alternate Corporate Information Officer	January 1, 2015 - December 31, 2023
	Head of Internal Audit Department	June 29, 2023 - December 31, 2023
Cityland, Inc.	Vice President	January 16, 2008 - December 31, 2023
	Asst. Corporate Secretary / Alternate Compliance Officer & Alternate Corporate Information Officer	January 1, 2015 - December 31, 2023
	Head of Internal Audit Department	June 29, 2023 - December 31, 2023
Cityplans, Incorporated	Vice President / Alternate Compliance Officer	January 1, 2015 - December 31, 2023
Worldnet Information and Services, Inc.	President	--

12. Melita L. Tan

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Vice President	February 21, 2004
Cityland, Inc.	Vice President	February 21, 2004

13. Romeo E. Ng *(retired effective January 6, 2024)*

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Vice President	January 10, 2005 - January 6, 2024
Cityland, Inc.	Vice President	January 10, 2005 - January 6, 2024

14. Rosario D. Perez

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Vice President – Executive Affairs	February 9, 2017
Cityland, Inc.	Vice President – Executive Affairs	February 9, 2017
Worldnet Information and Services, Inc.	Auditor	--

15. Winefreda R. Go *(retired effective December 31, 2023)*

Name of Office	Position	Date Assumed
Present position in other institutions:		
Cityland Development Corporation	Vice President	Jauary 5, 2018 - December 31, 2023
Cityland, Inc.	Vice President	Jauary 5, 2018 - December 31, 2023
The Good Seed Sower Foundation, Inc.	Board of Trustee / Treasurer	January 25, 2024

16. Dorothy U. So *(retired effective June 29, 2023)*

Name of Office	Position	Date Assumed
Present position in other institutions:		
Cityland Development Corporation	Assistant Vice President- Head of Internal Audit Department	July 2001 - June 29, 2023
Cityland, Inc.	Assistant Vice President- Head of Internal Audit Department	July 2001 - June 29, 2023

17. Atty. Andre Anton S. Suarez

Name of Office	Position	Date Assumed
Present position in other institutions:		
Credit & Land Holdings, Inc.	Corporate Secretary	July 20, 2017
Cityads Incorporated	Corporate Secretary	March 4, 2017

18. Jocelyn C. De Asis

Name of Office	Position	Date Assumed
Present position in other institutions:		
Cityplans, Incorporated	Corporate Secretary	January 7, 2013
Cityland, Inc.	Corporate Secretary	April 5, 2021
Cityland Development Corporation	Assistant Corporate Secretary	April 5, 2021

19. Hazel Anne C. Paule

Name of Office	Position	Date Assumed
Present position in other institutions:		
Cityland, Inc.	Head of Internal Audit Department	January 1, 2024
Cityland Development Corporation	Head of Internal Audit Department	January 1, 2024

b. Identify Significant Employees

All employees perform their share in achieving the Registrant's set goals; hence, there is no identifiable significant employee.

c. Involvement in Certain Legal Proceedings of Any of the Directors and Executive Officers, during the past five years:

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 Company either at a time of the bankruptcy or within two years prior to that time.

During the past five years up to present, the Registrant, 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 Registrant, 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 Registrant, 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.

d. Attendance of Board of Directors

For the year 2023, there were 23 Board of Directors' meetings. Below is the summary attendance of the members of the Board of Directors:

	No. of Meetings Attended / Held		
	Regular	Special	Total
Mr. Cesar E.A. Virata	3 / 3	20/20	23/23
Dr. Andrew I. Liuson	3 / 3	20/20	23/23
Mrs. Grace C. Liuson	3 / 3	20/20	23/23
Mr. Josef C. Gohoc	3 / 3	20/20	23/23
Mr. Peter S. Dee	3 / 3	20/20	23/23
Mrs. Helen C. Roxas	3 / 3	20/20	23/23
Mr. Benjamin I. Liuson	3 / 3	20/20	23/23
Mr. Jefferson C. Roxas	3 / 3	20/20	23/23
Ms. Emma A. Choa	3 / 3	20/20	23/23

e. Legal Proceedings to Which the Registrant or Any of Its Subsidiaries is a Party

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

- **COMPANY**

1. **Sta. Ana Village Homeowners' Assoc. Inc. (SAVHA) vs. City & Land Developers, Inc.**
   Civil Case No. 12-009
   Parañaque 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, Parañaque 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.

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

   DPWH filed a Complaint for Expropriation for certain portions of the properties, including the improvements therein, of CLDI located in Barangay Tambo, Parañaque 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 General; opposed and RTC denied the motion. Coordination is being made for the execution of the judgment.

- **PROPERTY**

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

  There are no cases involving unpaid real estate taxes which are material in amount.

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

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 Company either at a time of the bankruptcy or within two years prior to that time.

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

During the past five years up to present, the Company, any of its directors or executive officers, is not subject to any order, judgement, 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 Company, 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 judgement has not been reversed, suspended, or vacated.

f. Nomination Committee and Nominees for Election as Members of the Board of Directors, including the Independent Directors

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

Cesar E. Virata (Independent Director)	Peter S. Dee (Independent Director)
Dr. Andrew I. Liuson	Benjamin I. Liuson
Grace C. Liuson	Emma A. Choa
Josef C. Gohoc	Jefferson C. Roxas
Helen C. Roxas	

An independent director is a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgement in carrying out the responsibilities of a director.

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 the Company and endorsed by Nomination Committee are the following:

Independent Directors	Nominating Stockholder
Cesar E.A. Virata	Raquel Gal
Peter S. Dee	Rosalinda M. Catimpo

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

Mr. Cesar E.A. Virata (Chairman)
Dr. Andrew I. Liuson
Mr. Benjamin I. Liuson

SEC MC No. 19 s. 2016 – Code of Corporate Governance for Publicly-Listed Companies dated November 22, 2016 has recommended that an independent director should serve for a maximum cumulative term of nine (9) years. However, in certain cases that the Company wants to retain an independent director who has served for nine years, the Board should provide meritorious justifications and seek approval of the stockholders during the Annual Stockholders' Meeting.

Mr. Peter Dee and Mr. Cesar Virata have served as Independent Directors of the Company since 2004 and 2009, respectively. Their in-depth knowledge, wisdom and expertise in various industries helped the Company plan and attain its strategic objectives. Further, their 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 forty (40) years in one of the largest banks in the Philippines. He is also a director of other publicly-listed companies in the country. His exposure and mastery to risk and financial management delivers insight and significant help to the Company.

Mr. Virata served as Finance Minister from 1970 to 1986 and Prime Minister of the Philippines from 1981 to 1986. He also headed the National Economic and Development Authority (NEDA) of the Philippines while serving as Prime Minister. He is also an incumbent Independent Director of other publicly-listed companies and the Vice Chairman of one of the largest banks in the Philippines. He will continuously provide significant benefit and key decision-making strategies to the Company given his wide experience and competence in handling both local and national economic activities.

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

g. Procedures for Nomination and Election of Independent Directors

1. Nomination of independent directors shall be conducted by the Corporate Governance Committee prior to a 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 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.

2. Subject to pertinent existing laws, rules 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.

h. Related Party Transactions

The Company, in its regular conduct of business, has entered into transaction with associates and related parties, which principally consist of sharing of expenses. This transaction to and from related parties are made on an arm's length basis and at current market prices at the time of the transaction.

There were no transactions with promoters in the past five years.

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 21, *Related Party Transactions* of the Notes to the 2023 Audited Financial Statements that is incorporated in the Index to Financial Statements.

i. Members of the Audit and Risk Committee

Mr. Peter S. Dee (Chairman)
Mrs. Grace C. Liuson
Dr. Andrew I. Liuson

j. Parent of the Registrant

CDC owns 49.73% of the outstanding capital stock of the Registrant. The ultimate parent is Cityland, Inc. (CI), which owns 29.54% of the outstanding capital stock of the Registrant.

VI. Compensation of Directors and Executive Officers

Executive Compensation Summary Tables

NAME	POSITION	2024 (estimate)
Josef C. Gohoc	**President**	**X**
Alrolnik M. Fernando	**AVP – Admin. Department**	**X**
Marlon V. Olpindo	**AVP- Design & Development Department**	**X**
Zenaida C. Ng	**Senior Manager**	**X**
Anthony R. Ardiente	**Assistant Manager**	**X**
Salaries		₱5,100,162
Bonus		1,321,607
Others		155,600
Total (Top 5)		**₱6,577,369**
Salaries		₱2,471,147
Bonus		652,704
Others		129,600
Total Other Officers & Directors as a group unnamed		**₱3,253,452**
Grand Total		**₱9,830,821**

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NAME	POSITION	2023 (actual)
Josef C. Gohoc	President	X
Winefreda R. Go	VP - Purchasing Department	X
Alrolnik M. Fernando	AVP - Admin. Department	
Marlon V. Olpindo	AVP- Design & Development Department	X
Zenaida C. Ng	Senior Manager	X
Salaries		₱5,518,815
Bonus		1,430,379
Others		6,085,681
Total (Top 5)		**₱13,034,875**
Salaries		₱3,964,806
Bonus		1,044,540
Others		517,699
Total Other Officers & Directors as a group unnamed		**₱5,527,045**
Grand Total		**₱18,561,920**

NAME	POSITION	2022 (actual)
Josef C. Gohoc	President	X
Winefreda R. Go	VP - Purchasing Department	X
Marlon V. Olpindo	AVP- Design & Development Department	X
Alrolnik M. Fernando	Senior Manager	X
Jocelyn F. Kwong	Senior Manager	X
Salaries		₱4,956,499
Bonus		1,294,872
Others		2,683,301
Total (Top 5)		**₱8,934,672**
Salaries		₱5,456,955
Bonus		1,385,695
Others		3,643,477
Total Other Officers & Directors as a group unnamed		**₱10,486,127**
Grand Total		**₱19,420,799**

The Company has no standard arrangements with regard to remuneration of its directors. In 2023, 2022 and 2021, the BOD received a total of ₱21.13 million, ₱6.63 million and ₱2.79 million, respectively. Moreover, the Company 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 Company does not have any arrangements for stock warrants or options offered to its employees.

VII. Independent Public Accountants

a. SyCip Gorres Velayo & Co. (SGV & Co.) is the Company's external auditor for the calendar year 2023. The same accounting firm is being recommended for re-appointment at the scheduled 2024 Annual Stockholders' Meeting.

b. Representatives of SGV & Co. are expected to be present at the annual stockholders' meeting and will assist in responding to questions from the stockholders relating to the audited financial statements.

c. Pursuant to Revised SRC Rule 68 paragraph (3)(b)(ix) (Rotation of External Auditors), Ms. Aileen L. Saringan, partner of SGV & Co., was assigned as signing partner for the Registrant's financial statements starting the calendar year 2017.

d. 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 13, 2023 will be read and submitted to the stockholders for their approval. Said Minutes state that the following matters were approved by the stockholders during the 2023 stockholders' meeting:

Agenda Items:	Approving	Dissenting	Abstaining
Approval of Minutes of Previous Meeting	1,259,901,453 votes	--	--
Approval of President's Report	1,259,901,453 votes	--	--
Election of Directors (including Independent Directors): a. Dr. Andrew I, Liuson b. Mrs. Grace C. Liuson c. Mr. Josef C. Gohoc d. Mr. Cesar E.A. Virata e. Mr. Peter S. Dee f. Mr. Benjamin I. Liuson g. Mrs. Helen C. Roxas h. Ms. Emma A. Choa i. Mr. Jefferson C. Roxas	1,259,901,453 votes or 83.80% of the outstanding capital stock	--	--
Appointment of External Auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	1,259,901,453 votes or 83.80% of the outstanding capital stock	--	--
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.	1,259,901,453 votes or 83.80% of the outstanding capital stock	--	--
Approval of Board Resolution No. SM-12 dated April 24, 2023 for the declaration of five percent (5%) stock dividends	1,259,901,453 votes or 83.80% 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 external auditor

   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.

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. The Board of Directors has decided to conduct a virtual ASM via Zoom. As a result, there will be no physical venue allotted for stockholders to attend the meeting.

   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, the registered stockholder who will attend will receive via email the proxy form.

   Validation of proxies shall be until 4:00 pm of June 4, 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.

4. 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.

   Other matters which any stockholder would like to present in the ASM shall be sent via email to stocks@cityland.net on or before June 4, 2024 at 4:00PM. The Company's responses to the questions shall be discussed during the ASM.

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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 May 7, 2024

CITY & LAND DEVELOPERS, INCORPORATED

JOSEF C. GOHOC
President

CITY & LAND DEVELOPERS, INCORPORATED
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

   City & Land Developers, Incorporated (the Company or CLDI) is a domestic public corporation registered with the Securities and Exchange Commission on June 28, 1988 and started its commercial operations on August 1, 1992.

   The Company is 49.73% and 29.54% owned by Cityland Development Corporation (CDC) and Cityland Inc., respectively, while the remaining 20.73% is owned by 744 various stockholders as of March 31, 2024. CLDI is a member of Cityland Group of Companies, a trusted name in real estate industry with proven track record of developing prestigious condominiums in cities of Pasig, Manila and Quezon City; and affordable house and lots in Parañaque City. The Group has been in property development business for more than forty (40) years.

   On December 13, 1999, the issued and outstanding capital stock of the Company was listed in the Philippine Stock Exchange after the initial public offering on November 29, 1999.

2. Nature of Operations

   The Company's primary purpose is to establish an effective institutional medium for acquiring and developing suitable land sites for residential, office, commercial, institutional and industrial uses primarily, but not exclusively, in accordance with the subdivision, condominium, and cooperative concepts of land-utilization and land-ownership.

Financial Performance

In February 2023, the Company launched One Hidalgo, a 39-storey mixed residential, office and commercial condominium to be located at 1730 P. Hidalgo Lim St., corner Gen. Malvar St., Malate, Manila which is expected to be completed in September 2027.

In October 2016, the Company launched One Taft Residences, a 40-storey mixed residential, office and commercial condominium located at 1939 Taft Avenue, Malate, Manila which was completed in May 2022.

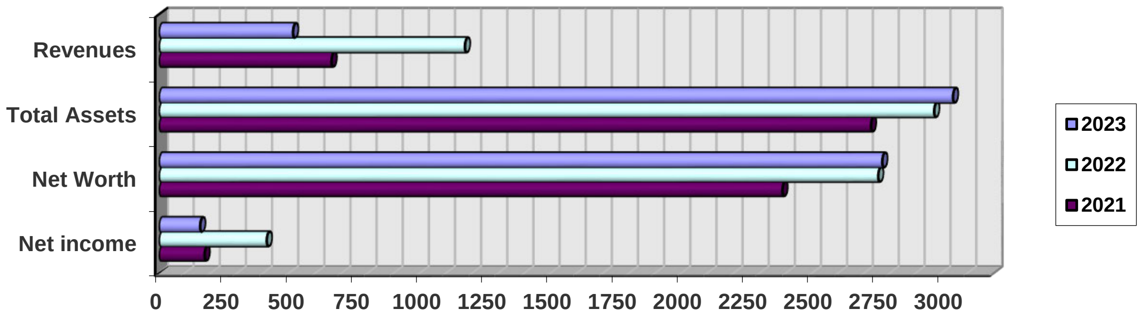
Further, the Company completed last March 2018 the North Residences which is a 29-storey residential and commercial condominium located at EDSA corner Lanutan, Barangay Veterans Village, Quezon City (beside Waltermart).

It is also currently selling the remaining units of Grand Emerald Tower and Pacific Regency with percentage sold of both projects of 99.89% as of December 31, 2023.

Internal sources of liquidity come from sales of condominium units and real estate properties, collection of installment contracts receivables and contract assets and maturing short-term investments.

FINANCIAL HIGHLIGHTS

	In Millions of Pesos		
	2023	**2022**	**2021**
Revenues	**512.67**	**1,170.36**	**660.08**
Total Assets	**3,042.31**	**2,969.63**	**2,725.18**
Net Worth	**2,768.70**	**2,753.11**	**2,385.02**
Net Income	**157.42**	**412.25**	**174.43**



1. **Project Description**

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.

Ongoing Project:

One Hidalgo

One Hidalgo is a 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 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.

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 sale 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

The 29-storey commercial and residential condominium is located at 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 friendly on the budget. This project was completed in March 2018.

Manila Residences Bocobo

Manila Residences Bocobo, 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, 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.

2. Major Risks Involved in Each of the Businesses of the Company

The risks to which the Company 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 the political and economic situation, real estate industry outlook and market competition.

INTERNAL FACTORS

Refinancing

The Company is primarily engaged in real estate development. Risk factor includes minimal risk debt level of the Company'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 Company adopted to take advantage of lower cost of money for short-term loans versus long-term loans. Because the Company 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 Company 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 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 receivables, contract assets and other financial assets of the Company. 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 Company manages this risk by dealing only with recognized and credit worthy third parties. Moreover, it is the Company'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 Company holds the title to the real estate properties with outstanding installment contracts receivable balance and the Company can repossess such real estate properties upon default of the customer in paying the outstanding balance. The Company's 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 Company.

b. The credit risk on the financial assets of the Company 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 Company manages such risks in accordance to its policy wherein the Company 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 Company.

Interest Rate Risk This is the risk arising from uncertain future interest rates.

The Company's financial instruments consist of installment contracts receivables, contract assets, cash and cash equivalents, short-term investments, 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.

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 exposure, however, is negligible because the amount of the said investment is insignificant as compared to the financial assets of the Company.

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

a. *Asset-Liability Management:* Funding sources pertain to short-term borrowings. Funding sources are abundant and provide a competitive cost advantage. The Company 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 Company accesses funding across a diverse range of markets and counter parties.

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

The Company is also exposed to risks which are beyond financial:

COMPANY'S BUSINESS AND OPERATIONS

Land Banking

The Company's land banking usually includes parcels of land wherein some lots are being leased and/or held for capital appreciation while awaiting the development of its condominium projects. Having enough and diversified land banking is important to support the sustainability of the Company's business. The Company 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.

As of December 31, 2023, the Company has parcel of lots located in Metro Manila classified under the "Investment properties" account. In February 2023, it launched a new project – One Hidalgo which is expected to be completed in September 2027.

The Management continuously performs a study and research on possible land acquisition which will depend on the need of the Company and negotiations with prospective sellers. For the land value changes, the Company continues to be cautious in buying new properties by conducting a thorough study of appraisal reports and conditions of the property within the vicinity.

Property development and construction

Construction of a condominium project starts with the planning and securing of permits then to the development or construction of the project and to the delivery or turnover of the units to the buyers. The construction to completion of a project averages three to four years. During this period, the Company 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 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 Company 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 Company's project development team to ensure that the project is progressing and being accomplished according to plan.

ECONOMIC FACTORS

Economic

The Company'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 Company'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. It 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 Cityland 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 impact of disasters is reduced. As one of the criteria set by the Group during the acquisition of property, it 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 Company has adopted the following controls to ensure its compliance with the environmental laws but not limited to:

- Adherence to the standards/requirements set by the regulatory agencies governing the real estate industry;
- Appointment of Pollution Control Officers in all condominium projects;
- Continuous study on how to improve the project from planning to construction until its completion;
- 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. 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 Company'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 Company'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 Company believes that the current political situation of Russia-Ukraine and Israel-Palestine will not have an adverse effect in the Company'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 Company 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 Company 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 Company 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 this rising demand. As a result of the foregoing, competition in the area of medium-cost development is expected to intensify. The Company 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.

Generally, the risks are mitigated by conducting assessments of the economic and political situations of the country as well as new developments in the industry. The procedures involve the gathering of information of economic indicators and political events as well as being aware of the new developments in the industry through media, business conferences, economic briefings and other sources.

With this, the Company is able to assess and manage the risks mentioned.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Plan of Operations

The Company 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 project will be delivered on time or even ahead of its scheduled turnover. The Company will also continue to scout and develop quality projects suited for the middle and working class that will be situated at convenient locations with affordable and flexible payment terms. The Company's projects will be funded through cash generated from operations. The Company 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 Company's financial position for the year ended December 31, 2023 showed an increase in total assets amounting to ₱72.68 million equivalent to 2.45%. Total assets for the year ended December 31, 2023 stood at ₱3,042.31 million compared to ₱2,969.63 million as of December 31, 2022.

The minimal increase in assets can be attributed to the sales and collection of receivables during the year. In February 2023, the Company was able to launch a new project – One Hidalgo. As of December 31, 2023, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱177.74 million and ₱114.00 million, respectively.

On the liabilities side, total liabilities resulted to ₱273.61 million, higher by 26.37% than last year's liabilities in the amount of ₱216.53 million.

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 ₱2,768.70 million as of December 31, 2023, higher by 0.57% compared to the 2022 year-end balance of ₱2,753.11 million. The increase was due to the increase in shares issued in 2023 amounting to ₱1,578.54 million compared to the shares issued in 2022 which amounted to ₱1,503.37 million.

As a result of the foregoing, the Company's current and acid test ratio of 11.85:1 and 2.93:1, respectively, as of December 31, 2023, as compared to 17.39:1 and 5.47:1, respectively as of December 31, 2022. Asset-to-liability and debt-to-equity registered at 11.12:1 and 0.02:1 as of December 31, 2023 from 13.71:1 and 0.00:1 as of December 31, 2022, respectively.

<u>Financial Condition (2022 vs. 2021)</u>

The Company's financial position for the year ended December 31, 2022 showed an increase in total assets amounting to ₱244.46 million equivalent to 8.97%. Total assets for the year ended December 31, 2022 stood at ₱2,969.63 million compared to ₱2,725.18 million 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 One Taft Residences contributed to the increase in sales as the revenue of the Company is based on percentage of completion. The healthy cash position of the Company allowed the Company to launch a new project in February 2023 thus the reclassification of a property from "Real Estate Properties for Future Development" to "Real Estate Properties for Sale". Contract assets also increased due to the completion of One Taft Residences. As of December 31, 2022, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱103.05 million and ₱399.50 million, respectively.

On the liabilities side, total liabilities resulted to ₱216.53 million, lower by 36.35% than last year's liabilities in the amount of ₱340.16 million.

The completion of One Taft Residences resulted to the following:
- Decline in accounts payable and accrued expenses; and
- Non-recognition of contract liabilities since there is no ongoing project as of December 31, 2022.

Total equity stood at ₱2,753.11 million as of December 31, 2022, higher by 15.43% compared to the 2021 year-end balance of ₱2,385.02 million. The increase was due to the total comprehensive income recognized in 2022 amounting to ₱413.48 million less cash dividends declared amounting to ₱45.39 million and the 5% stock dividend declared in 2021 which was distributed in 2022.

As a result of the foregoing, the Company translated to a current and acid test ratio of 17.39:1 and 5.47:1, respectively as of December 31, 2022, as compared to 4.98:1 and 1.36:1, respectively as of December 31, 2021. Asset-to-liability and debt-to-equity registered at 13.71:1 and 0.00:1 as of December 31, 2022 from 8.01:1 and 0.00:1 as of December 31, 2021, respectively.

<u>Financial Condition (2021 vs. 2020)</u>

The Company's financial position remained healthy in 2021 with total assets of ₱2.725.18 million, 8.83% higher as compared to the 2020 year-end balance of ₱2,504.13 million. The increase in assets can be attributed to sales and collections from clients, which resulted to increase in cash and cash equivalents. Contract assets also increased due to the progress on the construction of the Company's ongoing project – One Taft Residences. Majority of the funds were used for operations and for the construction of One Taft Residences resulting to the increase in real estate properties for sale. As of December 31, 2021, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱211.01 million and ₱123.50 million, respectively.

On the liabilities side, total liabilities increased to ₱340.16 million, 23.36% higher than last year's amount of ₱275.75 million. This was substantially due to increase in the development costs as the ongoing project is near its completion already.

Total equity stood at ₱2.385.02 million as of December 31, 2021, slightly higher by 7.03% compared with the 2020 year-end balance of ₱2,228.39 million. The increase was due to the total comprehensive recognized in 2021 amounting to ₱176.35 million less cash dividends paid of ₱19.73 million.

As a result of the foregoing, the Company translated to a current and acid test ratio of 4.97:1 and 1.36:1, respectively as of December 31, 2021, as compared to 6.98:1 and 1.40:1, respectively as of December 31, 2020. Asset-to-liability and debt-to-equity registered at 8.01:1 and 0.00:1 as of December 31, 2021 from December 31, 2020 ratios of 9.08:1 and 0.00:1, respectively.

Results of Operation (2023 vs. 2022)

Total revenue and income for the year 2023 resulted to ₱512.67 million as compared to ₱1,170.36 million for the year 2022. The decrease in the total revenue and income is significantly due to the decrease in sales from real estate properties for sale reaching ₱358.66 million in 2023 as compared to ₱1,058.42 million in 2022. In February 2023, the Company launched One Hidalgo but did not significantly contribute to the increase in sales as the Company's accounting policy in revenue recognition is based on percentage of completion.

Other sources of income are financial income, rental income and other income. Financial income which showed an increase by ₱39.41 million or 41.05% is composed of interest income from sale of real estate properties, cash in banks, cash equivalents, short-term investments and guaranty deposits and dividend income. Increase in financial income for the year 2023 is attributed to the increase in interest income from installment contracts receivables and contract assets. The interest income from cash equivalents and short-term investments likewise improved due to the placement of additional investments and increase in interest rate. Rental income posted an increase by ₱4.87 million or equivalent to 80.05% due to additional units leased out 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. Revenue contribution of this account amounted to ₱7.62 million and ₱9.84 million in 2023 2022, respectively. Decrease in Other Income - net is attributed to the decrease in miscellaneous income and low number of forfeitures during the year.

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

As a result of the foregoing, the Company recorded a net income of ₱157.42 million, lower by 61.81% as compared to last year's net income of ₱412.25 million. Earnings per share and return on equity resulted to ₱ 0.10 and 5.68%, respectively in 2023 as compared to the previous year of ₱0.27 and 14.97%, respectively.

Results of Operation (2022 vs. 2021)

Total revenue and income for the year 2022 resulted to ₱1,170.36 million as compared to ₱660.08 million 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 ₱1,058.42 million in 2022 as compared to ₱580.53 million in 2021. In May 2022, the Company completed One Taft Residences which resulted to the following:

- Increase ion sale of condominium units and parking slots; and
- Increase in revenue recognized as the Company's accounting policy in revenue recognition is based on percentage of completion.

Other sources of income pertain to financial income, rental income and other income. Financial income which showed an increase by ₱29.09 million or 43.46% is composed of interest income from sale of real estate properties, cash in banks, cash equivalents, short-term investments and guaranty deposits and dividend income. Increase in financial income for the year 2022 is attributed to the increase in interest income from contract assets and installment contracts receivables in line with higher sales in the current year. The interest income from cash equivalents and short-term investments likewise improved due to the healthy cash position of the Company for the year 2022. Rental income posted an increase by ₱1.82 million or equivalent to 42.53% due to additional units leased out during the year. Net other income pertains to gain or loss arising from the 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. Revenue contribution of this account amounted to ₱9.84 million and ₱8.34 million as of December 31, 2022 and December 31, 2021, respectively. Increase in Other Income – net was due to increase in fair market value of repossessed units and additional income attributed to the completion of One Taft Residences.

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

As a result of the foregoing, the Company recorded a net income of ₱412.25 million, higher by 136.34% as compared to last year's generated total revenue of ₱174.43 million. Earnings per share and return on equity resulted to ₱0.27 and 14.97%, respectively in 2022 as compared to the previous year of ₱0.12 and 7.31%, respectively.

Results of Operation (2021 vs. 2020)

Revenue on sales from real estate properties reached ₱580.53 million, higher by 128.96% over the same period last year of ₱253.55 million. The significant increase in sales was attributed to the recovery of the economy, loosening of quarantine restrictions and increase in the percentage of completion of One Taft Residences. As of December 31, 2021, percentage of completion of this project reached 92.63% from 73.27%.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents and short-term investments accounted for 10.14% of total revenues. Likewise, rent income declined by 19.92% in 2021 as compared to the same period last year due to the rent concessions provided to the tenant. Net other income, on the other hand, pertain 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, gain on sale of share of stock and net gains or losses on forfeiture/cancellation of sales. Revenue contribution of this account amounted to ₱8.34 million and ₱18.04 million as of December 31, 2021 and 2020, respectively.

On the cost side, cost of real estate sales and operating expenses increased due to higher sales, while financial expenses decreased also due to lower finance charges.

As a result of the foregoing, the Company recorded a net income of ₱174.43 million, higher by 66.84% as compared to last year's generated total revenue of ₱104.55 million. Earnings per share and return on equity resulted to ₱0.12 and 7.31%, respectively in 2021 as compared to the previous year of ₱0.07 and 4.69%, respectively.

Key Performance Indicators

	2023	2022	2021
Current ratio	**11.85**	17.39	4.97
Asset-to-equity ratio	**1.10**	1.08	1.14
Debt-to-equity ratio	**0.02**	–	–
Asset-to-liability	**11.12**	13.71	8.01
Solvency ratio	**0.58**	1.90	0.51
Interest rate coverage ratio	**–**	–	–
Acid - test ratio	**2.93**	5.47	1.36
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%
Basic/Diluted Earnings per share	**₱0.10**	₱0.27 *	₱0.12 *

**After retroactive effect of 5.00% stock dividends in 2023.*

Manner of Calculation:

Current ratio = Total current assets / Total current liabilities

$$\text{Asset-to-equity ratio} = \frac{\text{Total assets}}{\text{Total equity (net of net changes in fair value of financial assets at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)}}$$

$$\text{Debt-to-equity ratio} = \frac{\text{Notes and contracts payable}}{\text{Total equity (net of net changes in fair value of financial assets at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)}}$$

Asset-to-liability ratio	=	Total assets / Total liabilities
Solvency ratio	=	$\dfrac{\text{Net income after tax + Depreciation expense}}{\text{Total liabilities}}$
Interest rate coverage ratio	=	$\dfrac{\text{Net income before tax + Depreciation expense + Interest expense}}{\text{Interest expense}}$
Acid-test ratio	=	$\dfrac{\text{Cash and cash equivalents + Short-term investments + Installment contracts receivable, current + Contract assets, current + Other receivables, current}}{\text{Total current liabilities}}$
Return on equity ratio	=	$\dfrac{\text{Net income after tax}}{\text{Total Equity}}$
Return on assets ratio	=	$\dfrac{\text{Net income after tax}}{\text{Total Assets}}$
Net profit margin	=	$\dfrac{\text{Net income after tax}}{\text{Total Revenue}}$
Basic/Diluted Earnings per share	=	$\dfrac{\text{Net income after tax}}{\text{Outstanding number of shares}}$

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

   There are no known trends, events or uncertainties that could affect the Company’s liquidity position.

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

   Internal sources come from sales of condominium and real estate projects, collection of installment receivables and maturing short-term investments.

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

   The estimated development cost of ₱1,878.95 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; and
   c) Maturing short-term investments.

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 Company’s net sales or revenues or income.

5. **Any Significant Elements of Income or Loss that did not arise from Registrant’s Continuing Operations**

   There is no significant element of income or loss that did not arise from registrant’s 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 Company 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 and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

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

Financial Condition (2023 vs. 2022)

a. Increase in Cash and Cash Equivalents was due to placements of shorter-term investments.
b. Decrease in Short-term Investments was due to matured placements and acquisition of new properties classified under the "Investment Properties" account.
c. Decrease in Installment Contracts Receivable was due to improvement in collection and collection of past due accounts.
d. Net decrease in Contract Assets is attributed to the collections during the year.
e. Increase in Cost to Obtain Contract is attributed to the launching of One Hidalgo.
f. Decrease in Other Receivables is due to the decrease in advances to customers as a result of the decline in the advances for registration (One Taft Residences was turned over in 2022).
g. Increase in Real Estate Properties for Sale was due to the construction costs incurred during the year.
h. Increase in Investment Properties was due to the properties acquired during the year.
i. Decrease in Other Current Assets was due to the utilization of unused input VAT in 2023.
j. Decrease in Financial Assets at FVOCI was due to the sale of financial assets.
k. Increase in Other Noncurrent Assets was due to the increase in utility deposits relating to the completion of One Taft Residences.
l. Decrease in Accounts Payable and Accrued Expenses was substantially due to decline in trade payables and accrual of director's fee.
m. Increase in Contract Payable was due to the acquisition of a property of which a contract payable remained outstanding as of December 31, 2023.
n. Increase in Contract Liabilities was due to the construction and launching of One Hidalgo.
o. Increase in Retirement Benefits Liability was due to the change from retirement asset to retirement liabilities.
p. Decrease in Income Tax Payable is attributed to the decline in sales of real estate properties.
q. Decrease in Deferred Income Tax Liabilities was due to decrease in realized gain on sale of real estate transactions.
r. Decrease in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to the sale of financial assets.
s. Increase in Capital Stock is attributed to the stock dividend distributed during the year.
t. Decrease in Retained Earnings was due to net income recognized during the year net of cash dividends declared and distributed.

Financial Condition (2022 vs. 2021)

a. Decrease in Cash and Cash Equivalents was due to shift of placements to short-term investments.
b. Increase in Short-term Investments was due to the shift of funds to short-term investments.
c. Decrease in Installment Contracts Receivable was due to improvement in collection and collection of past due accounts.
d. Increase in Contract Assets was substantially due to higher sales and completion of One Taft Residences.
e. Decrease in Cost to Obtain Contract was due to the completion of One Taft Residences.
f. 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 Company. In 2022, the advances to customers significantly increased due to the completion of One Taft Residences.

g. Increase in Real Estate Properties for Sale was due to additional development cost incurred that led to the completion of its newly completed project. In 2022, the Company also reclassified a property from Real Estate Properties Held for Future Development.
h. Increase in Other Current Assets pertains to the reclassification of unused input VAT as a result of the transfer of property from Real Estate Properties for Future Development to Real Estate Properties for Sale.
i. Decrease in Financial Assets at FVOCI was due to decline in fair market value of the shares of stock held by the Company.
j. Decrease in Real Estate Properties Held for Future Development was due to transfer of property to Real Estate Properties for Sale.
k. Increase in Other Noncurrent Assets was due to the guaranty deposit made by the Company to an affiliate relating to the requirement of HLURB.
l. Decrease in Accounts Payable and Accrued Expenses was substantially due to decline in accrued development costs, due to related parties, customers' deposits and withholding taxes payable.
m. Decrease in Contract Liabilities was due to the completion of One Taft Residences.
n. Decrease in Retirement Benefits Liability was due to re-measurement gain recognized during the year thereby increasing Retirement Benefits Assets.
o. Increase in Income Tax Payable was due to higher taxable income brought by the increase in sales as a result of the recovery in the economy.
p. Increase in Deferred Income Tax Liabilities was due to increase in realized gain on sale of real estate transactions and accrued expenses.
q. Decrease in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to decline in the market value of shares of stock.
r. Increase in Retained Earnings was due to net income recognized during the year net of cash dividends declared and distributed.

Financial Condition (2021 vs. 2020)

a. Increase in Cash and Cash Equivalents was due to sales, collections and shift of placements to shorter term investments.
b. Increase in Short-term Investments was due to the shift of funds to short term investments.
c. Increase in Installment Contracts Receivable was due to increase in past due accounts.
d. Net increase in Contract Assets was substantially due to higher sales and increase in percentage of completion of an on-going project, One Taft Residences.
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 an ongoing project which is expected to be completed in 2022.
f. Increase in Other Receivables was substantially due to higher advances to condominium corporations and retention on cash sales.
g. Increase in Real Estate Properties for Sale was due to additional development cost incurred for the ongoing project.
h. Increase in Financial Assets at FVOCI was due to increase in fair market value of the shares of stock held by the Company.
i. Increase in Real Estate Properties Held for Future Development was due to costs capitalized during the period.
j. Net decrease in Other Assets was substantially due to utilization of input VAT and of prepaid expenses.
k. Increase in Accounts Payable and Accrued Expenses was substantially due to higher accrued development costs, due to related parties, customers' deposits and withholding taxes payable.
l. Decrease in Contract Liabilities was due to increase percentage of completion.
m. Decrease in Retirement Benefit Liability was due to re-measurement gain recognized during the year.
n. Increase in Income Tax Payable was due to higher taxable income brought by the increase in sales as a result of the recovery in the economy and loosening of quarantine restrictions.
o. Increase in Deferred Income Tax Liabilities was due to increase in realized gain on sale of real estate transactions and accrued expenses.
p. Increase in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to increase in value of shares of stock.
q. Increase in Retained Earnings was due to net income recognized during the year net of cash dividends declared and distributed.

Results of Operation (2023 vs. 2022)

a. Decrease in Sales of Real Estate Properties was due to the low percentage of completion of One Hidalgo and the decline in the actual sales during the year.
b. Increase in Financial Income is attributed to the increase in interest income from installment contract receivable and contract assets. There has also been a significant increase in interest income from cash equivalents and guaranty deposits brought about by the increase in placements.
c. Increase in Rental Income is attributed to new lease contracts entered into by the Company.
d. Decrease in Other Income – net is attributed to the decrease in miscellaneous income and low number of forfeitures.
e. Decrease in Cost of Real Estate Sales was due to the low percentage of completion of One Hidalgo and lower sales during the year.
f. Decrease in Operating Expenses is attributed to the decrease in personnel expenses and professional fees. In 2022, the Company donated ₱3.60 million while no donation was made in 2023.
g. Decrease in Financial Expenses was due to lower finance charges.
h. Decrease in Provision for Income Tax was due to lower taxable income.
i. Decrease in Net Income was due to the low percentage of completion of One Hidalgo and lower sales during the year.

Results of Operation (2022 vs. 2021)

a. Increase in Sales of Real Estate Properties was due to higher sales brought about by the recovery in the economy and completion the 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 higher rental income from the newly completed project – One Taft Residences.
d. Increase in Other Income – net was due to increase in fair market value of repossessed units and additional income attributed to the completion of One Taft Residences.
e. Increase in Cost of Real Estate Sales was due to higher sales and percentage of completion of One Taft Residences.
f. Increase in Operating Expenses was substantially due to higher percentage of cost allocated to the Company as compared in prior year. The Company has shared expenses with the other companies within the Cityland Group. Other operating expenses such as the personnel costs, brokers' commission and professional fees also increased due to the increase in sales.
g. Increase in Financial Expenses was due to higher finance charges.
h. Increase in Provision for Income Tax was due to higher taxable income.
i. Increase in Net Income was due to increase in sales of real estate properties and completion of One Taft Residences.

Results of Operation (2021 vs. 2020)

a. Increase in Sales of Real Estate Properties was due to higher sales brought about by the recovery in the economy, loosening of quarantine restrictions and increase in the percentage of completion the One Taft Residences.
b. Decrease in Financial Income was primarily due to lower interest income earned from money market placements.
c. Decrease in Rent Income was due to lower rentals earned from units for lease brought by the rent concession provided to the tenant.
d. Decrease in Other Income – net was due to decrease in income adjustment for repossessed units and reversal of accrued directors' fees.
e. Increase in Cost of Real Estate Sales was due to higher sales and percentage of completion of One Taft Residences.
f. Increase in Operating Expenses was substantially due to higher percentage of cost allocated to the Company as compared in prior year. The Company has shared expenses with the other companies within the Cityland Group. Other operating expenses such as the personnel costs, brokers' commission and professional fees also increased due to the increase in sales.
g. Decrease in Financial Expenses was due to lower finance charges.
h. Increase in Provision for Income Tax was due to higher taxable income.
i. Increase in Net Income was due to increase in sales of real estate properties and percentage of completion of an on-going project.

STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

2023 vs 2022

	December 31, 2023	December 31, 2022	Change	% Change (December 31, 2023 vs December 31, 2022)
ASSETS				
Current Assets				
Cash and cash equivalents	**177,736,923**	103,049,854	74,687,069	72.48%
Short-term investments	**114,000,000**	399,500,000	(285,500,000)	-71.46%
Current portion of:				
Installment contracts receivable	**332,445**	4,620,625	(4,288,180)	-92.81%
Contract assets	**236,159,830**	126,730,693	109,429,137	86.35%
Cost to obtain contract	**717,790**	-	717,790	100.00%
Other receivables	**10,252,562**	20,485,651	(10,233,089)	-49.95%
Real estate properties for sale	**1,639,435,839**	1,394,385,073	245,050,766	17.57%
Other current assets	**2,378,518**	30,547,346	(28,168,828)	-92.21%
Total Current Assets	**2,181,013,907**	2,079,319,242	101,694,665	4.89%
Noncurrent Assets				
Contract Assets	**315,998,738**	641,494,291	(325,495,553)	-50.74%
Cost to obtain contract - net of current portion	**5,023,133**	-	5,023,133	100.00%
Financial assets at FVOCI	**156,275**	528,610	(372,335)	-70.44%
Other receivables - net of current portion	**691,969**	599,826	92,143	15.36%
Investment properties	**471,136,436**	181,139,332	289,997,104	160.10%
Net retirement plan assets	**-**	1,232,592	(1,232,592)	-100.00%
Other noncurrent assets	**68,294,446**	65,318,529	2,975,917	4.56%
Total Noncurrent Assets	**861,300,997**	890,313,180	(29,012,183)	-3.26%
TOTAL ASSETS	**3,042,314,904**	2,969,632,422	72,682,482	2.45%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	**126,093,970**	106,246,822	19,847,148	18.68%
Current portion of contract liabilities	**10,704,561**	-	10,704,561	100.00%
Notes and contracts payable	**45,556,450**	-	45,556,450	100.00%
Income tax payable	**1,627,653**	13,315,917	(11,688,264)	-87.78%
Total Current Liabilities	**183,982,634**	119,562,739	64,419,895	53.88%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	**38,793,874**	77,325,787	(38,531,913)	-49.83%
Contract liabilities - net of current portion	**38,662,390**	-	38,662,390	100.00%
Net retirement benefits liability	**3,551,831**	-	3,551,831	100.00%
Deferred income tax liabilities - net	**8,622,624**	19,637,281	(11,014,657)	-56.09%
Total Noncurrent Liabilities	**89,630,719**	96,963,068	(7,332,349)	-7.56%
Total Liabilities	**273,613,353**	216,525,807	57,087,546	26.37%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital stock - ₱1 par value	**1,578,542,601**	1,503,374,202	75,168,399	5.00%
Additional paid-in capital	**105,136**	105,136	-	0.00%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	**154,469**	432,775	(278,306)	-64.31%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	**(7,516,923)**	(3,227,453)	(4,289,470)	132.91%
Retained earnings	**1,197,416,268**	1,252,421,955	(55,005,687)	-4.39%
Total Equity	**2,768,701,551**	2,753,106,615	15,594,936	0.57%
TOTAL LIABILITIES AND EQUITY	**3,042,314,904**	2,969,632,422	72,682,482	2.45%

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STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

2022 vs 2021

	December 31, 2022	December 31, 2021	Change	% Change (December 31, 2022 vs December 31, 2021)
ASSETS				
Current Assets				
Cash and cash equivalents	103,049,854	211,011,889	(107,962,035)	-51.16%
Short-term investments	399,500,000	123,500,000	276,000,000	223.48%
Current portion of:				
Installment contracts receivable	4,620,625	5,015,789	(395,164)	-7.88%
Contract assets	126,730,693	89,529,144	37,201,549	41.55%
Cost to obtain contract	-	2,405,624	(2,405,624)	-100.00%
Other receivables	20,485,651	4,167,161	16,318,490	391.60%
Real estate properties for sale	1,394,385,073	1,150,096,752	244,288,321	21.24%
Other current assets	30,547,346	1,160,391	29,386,955	2532.50%
Total Current Assets	2,079,319,242	1,586,886,750	492,432,492	31.03%
Noncurrent Assets				
Contract Assets	641,494,291	406,877,189	234,617,102	57.66%
Financial assets at FVOCI	528,610	628,746	(100,136)	-15.93%
Other receivables - net of current portion	599,826	596,160	3,666	0.61%
Real estate properties held for future development	-	519,992,829	(519,992,829)	-100.00%
Investment properties	181,139,332	181,139,332	-	0.00%
Net retirement plan assets	1,232,592	-	1,232,592	100.00%
Other noncurrent assets	65,318,529	29,054,649	36,263,880	124.81%
Total Noncurrent Assets	890,313,180	1,138,288,905	(247,975,725)	-21.78%
TOTAL ASSETS	2,969,632,422	2,725,175,655	244,456,767	8.97%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	106,246,822	254,503,136	(148,256,314)	-58.25%
Current portion of contract liabilities	-	57,337,094	(57,337,094)	-100.00%
Income tax payable	13,315,917	7,473,040	5,842,877	78.19%
Total Current Liabilities	119,562,739	319,313,270	(199,750,531)	-62.56%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of c	77,325,787	15,276,001	62,049,786	406.19%
Net retirement benefits liability	-	975,292	(975,292)	-100.00%
Deferred income tax liabilities - net	19,637,281	4,593,745	15,043,536	327.48%
Total Noncurrent Liabilities	96,963,068	20,845,038	76,118,030	365.16%
Total Liabilities	216,525,807	340,158,308	(123,632,501)	-36.35%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital stock - ₱1 par value	1,503,374,202	1,431,785,284	71,588,918	5.00%
Additional paid-in capital	105,136	105,136	-	0.00%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	432,775	532,911	(100,136)	-18.79%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(3,227,453)	(4,551,369)	1,323,916	-29.09%
Retained earnings	1,252,421,955	957,145,385	295,276,570	30.85%
Total Equity	2,753,106,615	2,385,017,347	368,089,268	15.43%
TOTAL LIABILITIES AND EQUITY	2,969,632,422	2,725,175,655	244,456,767	8.97%

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STATEMENTS OF FINANCIAL POSITION
VERTICAL ANALYSIS

2023 vs 2022 vs 2021

	December 31, 2023	Percentage	December 31, 2022	Percentage	December 31, 2021	Percentage
ASSETS						
Current Assets						
Cash and cash equivalents	**177,736,923**	5.84%	103,049,854	3.47%	211,011,889	7.74%
Short-term investments	**114,000,000**	3.75%	399,500,000	13.45%	123,500,000	4.53%
Current portion of:						
Installment contracts receivable	**332,445**	0.01%	4,620,625	0.16%	5,015,789	0.18%
Contract assets	**236,159,830**	7.76%	126,730,693	4.27%	89,529,144	3.29%
Cost to obtain contract	**717,790**	0.02%	-	0.00%	2,405,624	0.09%
Other receivables	**10,252,562**	0.34%	20,485,651	0.69%	4,167,161	0.15%
Real estate properties for sale	**1,639,435,839**	53.89%	1,394,385,073	46.95%	1,150,096,752	42.20%
Other current assets	**2,378,518**	0.08%	30,547,346	1.03%	1,160,391	0.04%
Total Current Assets	2,181,013,907	71.69%	2,079,319,242	70.02%	1,586,886,750	58.23%
Noncurrent Assets						
Contract assets - net of current portion	**315,998,738**	10.39%	641,494,291	21.60%	406,877,189	14.93%
Cost to obtain contract - net of current portion	**5,023,133**	0.17%	-	0.00%	-	0.00%
Financial assets at FVOCI	**156,275**	0.01%	528,610	0.02%	628,746	0.02%
Other receivables - net of current portion	**691,969**	0.02%	599,826	0.02%	596,160	0.02%
Real estate properties held for future development	**-**	0.00%	-	0.00%	519,992,829	19.08%
Investment properties	**471,136,436**	15.49%	181,139,332	6.10%	181,139,332	6.65%
Net retirement plan assets	**-**	0.00%	1,232,592	0.04%	-	0.00%
Other noncurrent assets	**68,294,446**	2.24%	65,318,529	2.20%	29,054,649	1.07%
Total Noncurrent Assets	**861,300,997**	28.31%	890,313,180	29.98%	1,138,288,905	41.77%
TOTAL ASSETS	3,042,314,904	100.00%	2,969,632,422	100.00%	2,725,175,655	100.00%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and accrued expenses	**126,093,970**	4.14%	106,246,822	3.58%	254,503,136	9.34%
Current portion of contract liabilities	**10,704,561**	0.35%	-	0.00%	57,337,094	2.10%
Notes and contracts payable	**45,556,450**	1.50%	-	0.00%	-	0.00%
Income tax payable	**1,627,653**	0.05%	13,315,917	0.45%	7,473,040	0.27%
Total Current Liabilities	**183,982,634**	6.05%	119,562,739	4.03%	319,313,270	11.72%
Noncurrent Liabilities						
Accounts payable and accrued expenses - net of current portion	**38,793,874**	1.28%	77,325,787	2.60%	15,276,001	0.56%
Contract liabilities - net of current portion	**38,662,390**	1.27%	-	0.00%	-	0.00%
Net retirement benefits liability	**3,551,831**	0.12%	-	0.00%	975,292	0.04%
Deferred income tax liabilities - net	**8,622,624**	0.28%	19,637,281	0.66%	4,593,745	0.17%
Total Noncurrent Liabilities	**89,630,719**	2.95%	96,963,068	3.27%	20,845,038	0.76%
Total Liabilities	**273,613,353**	8.99%	216,525,807	7.29%	340,158,308	12.48%
Equity						
Capital stock - ₱1 par value	**1,578,542,601**	51.89%	1,503,374,202	50.62%	1,431,785,284	52.54%
Additional paid-in capital	**105,136**	0.00%	105,136	0.00%	105,136	0.00%
Unrealized fair value changes on equity securities at fair value through other comprehensive income (FVOCI)	**154,469**	0.01%	432,775	0.01%	532,911	0.02%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	**(7,516,923)**	-0.25%	(3,227,453)	-0.11%	(4,551,369)	-0.17%
Retained earnings	**1,197,416,268**	39.36%	1,252,421,955	42.17%	957,145,385	35.12%
Total Equity	**2,768,701,551**	91.01%	2,753,106,615	92.71%	2,385,017,347	87.52%
TOTAL LIABILITIES AND EQUITY	**3,042,314,904**	100.00%	2,969,632,422	100.00%	2,725,175,655	100.00%
					-	

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STATEMENTS OF INCOME
HORIZONTAL ANALYSIS

2023 vs 2022

	December 2023	December 2022	Change	% Change (2023 vs 2022)
REVENUE				
Sales of real estate properties	**358,659,503**	1,058,422,402	(699,762,899)	-66.11%
Financial income	**135,432,864**	96,019,848	39,413,016	41.05%
Rent income	**10,956,005**	6,084,965	4,871,040	80.05%
Other income - net	**7,624,017**	9,835,397	(2,211,380)	-22.48%
	512,672,389	1,170,362,612	(657,690,223)	-56.20%
COST AND EXPENSES				
Cost of real estate sales	**151,542,477**	465,129,606	(313,587,129)	-67.42%
Operating expenses	**162,008,316**	164,871,674	(2,863,358)	-1.74%
Financial expenses	**470,350**	721,700	(251,350)	-34.83%
	314,021,143	630,722,980	(316,701,837)	-50.21%
INCOME BEFORE INCOME TAX	**198,651,246**	539,639,632	(340,988,386)	-63.19%
PROVISION FOR INCOME TAX	**41,230,162**	127,386,207	(86,156,045)	-67.63%
NET INCOME	**157,421,084**	412,253,425	(254,832,341)	-61.81%

2022 vs 2021

	December 2022	December 2021	Change	% Change (2022 vs 2021)
REVENUE				
Sales of real estate properties	1,058,422,402	580,533,339	477,889,063	82.32%
Financial income	96,019,848	66,929,633	29,090,215	43.46%
Rent income	6,084,965	4,269,130	1,815,835	42.53%
Other income - net	9,835,397	8,344,353	1,491,044	17.87%
	1,170,362,612	660,076,455	510,286,157	77.31%
COST AND EXPENSES				
Cost of real estate sales	465,129,606	326,304,863	138,824,743	42.54%
Operating expenses	164,871,674	110,864,405	54,007,269	48.71%
Financial expenses	721,700	157,200	564,500	359.10%
	630,722,980	437,326,468	193,396,512	44.22%
INCOME BEFORE INCOME TAX	539,639,632	222,749,987	316,889,645	142.26%
PROVISION FOR INCOME TAX	127,386,207	48,316,078	79,070,129	163.65%
NET INCOME	412,253,425	174,433,909	237,819,516	136.34%

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STATEMENTS OF INCOME
VERTICAL ANALYSIS

2023 vs 2022 vs 2021

	December 2023	Percentage	December 2022	Percentage	December 2021	Percentage
REVENUE						
Sales of real estate properties	**358,659,503**	69.96%	1,058,422,402	90.44%	580,533,339	87.95%
Financial income	**135,432,864**	26.42%	96,019,848	8.20%	66,929,633	10.14%
Rent income	**10,956,005**	2.14%	6,084,965	0.52%	4,269,130	0.65%
Other income - net	**7,624,017**	1.49%	9,835,397	0.84%	8,344,353	1.26%
	512,672,389	100.00%	1,170,362,612	100.00%	660,076,455	100.00%
COST AND EXPENSES						
Cost of real estate sales	**151,542,477**	29.56%	465,129,606	39.74%	326,304,863	49.43%
Operating expenses	**162,008,316**	31.60%	164,871,674	14.09%	110,864,405	16.80%
Financial expenses	**470,350**	0.09%	721,700	0.06%	157,200	0.02%
	314,021,143	61.25%	630,722,980	53.89%	437,326,468	66.25%
INCOME BEFORE INCOME TAX	**198,651,246**	38.75%	539,639,632	46.11%	222,749,987	33.75%
PROVISION FOR INCOME TAX	**41,230,162**	8.04%	127,386,207	10.88%	48,316,078	7.32%
NET INCOME	**157,421,084**	30.71%	412,253,425	35.22%	174,433,909	26.43%

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Information on Independent Auditor

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

	2023	2022
Audit and audit-related Fees	₱700,000	₱637,000
Tax Fees	–	–
All other fees	–	–
Total	₱700,000	₱637,000

The 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 of the Audited Financial Statements.
b. Recommendation to the Board of Directors the approval and release of the Audited Financial Statements.
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 auditor and approval of the audited financial statements are being presented for ratification by the stockholders.

DIVIDENDS AND MARKET PRICE OF SHARES OF STOCK

a. Cash Dividends Per Share

2023	₱0.09130
2022	₱0.03170
2021	₱0.01392

Cash dividends on common shares were deducted from retained earnings upon declaration by the Board of Directors (BOD). All cash dividends due during the year were paid accordingly based on the approved dates by the BOD.

b. Stock Dividends

The Company declared 5% stock dividends in 2023 and 2021 while none in 2022.

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 Company 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.

On April 26, 2021, the Board of Directors approved the Board Resolution regarding the following:

a. Declaration of Five Percent (5%) stock dividend;
b. Increase in authorized capital stock from 1,435,000,000 shares to 1,715,000,000 shares with par value of ₱1.00 per share; and
c. To cause the amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of ₱1.00 per share.

The said resolution was approved and ratified by owners owning at least 2/3 of the outstanding shares during the Annual Stockholders' Meeting held last June 8, 2021.

On July29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock. Further, the SEC resolved to authorize the issuance of 71,589,265 shares with par value of ₱1.00 per share to cover the 5% stock dividends declared by the Board of Directors on April 26, 2021 and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock on June 8, 2021 and the issuance of shares of stock to stockholders of record as of August 30, 2022. The said stock dividends were distributed to stockholders on September 23, 2022.

As of December 31, 2023 and 2022, the Company has 1,578,542,601 and 1,503,374,202 shares held by 742 and 745 equity holders, respectively.

c. Any Restrictions that may Limit Ability to Pay Dividends or that are likely to do so in the Future

Dividends declared on shares of stock 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 Company. Events that may limit the Company 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 Company 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 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.

d. **Stock Prices**

		High	Low
2023	First Quarter	0.93	0.78
	Second Quarter	1.14	0.72
	Third Quarter	1.08	0.75
	Fourth Quarter	0.81	0.69
2022	First Quarter	0.90	0.74
	Second Quarter	0.90	0.67
	Third Quarter	1.02	0.66
	Fourth Quarter	0.98	0.69

e. Trading Market

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

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

f. Price Information on the Latest Practicable Date

The Company's shares were last traded on March 26, 2024 at ₱0.82 per share.

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g. Holders

The number of shareholders of record as of March 31, 2024 was 744.

Top 20 Stockholders of record as of March 31, 2024:

	Name	No. of Shares	%
1.	Cityland Development Corporation	785,013,999	49.73
2.	Cityland, Inc.	466,267,641	29.54
3.	PCD Nominee Corporation – Filipino	147,207,487	9.33
4.	Cityplans, Incorporated.	13,723,660	0.87
5.	Tan, Joyce Liuson or Tan, Philip Sim	12,019,052	0.76
6.	Liuson, Andrew I.	8,483,934	0.54
7.	Credit & Land Holdings, Inc.	8,129,533	0.52
8.	Liuson, Grace C.	7,427,662	0.47
9.	PCD Nominee Corporation - Foreign	7,221,256	0.46
10.	Roxas, Jefferson C.	6,666,140	0.42
11.	Co, Sharon Valerie	6,314,208	0.40
12.	Co, Stephanie Vanessa	6,314,208	0.40
13.	Co, Stephen Vincent	6,314,208	0.40
14.	Lim, Josephine	4,510,147	0.29
15.	Ecclesiastes, Inc.	4,070,893	0.26
16.	Gohoc, Josef C.	3,312,213	0.21
17.	Sy, Anne Shao	2,912,271	0.18
18.	Shao, Alice Lim	2,912,270	0.18
19.	Estate of Arvin Hank Shao	2,912,270	0.18
20.	Shao, Adena Teeny	2,912,270	0.18

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

There was no sale of any unregistered securities.

The total number of shares issued and outstanding of the Company as of December 31, 2023 is 1,578,542,601 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 Company 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 company 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 the compliance with 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 together with the latest Integrated Annual Corporate Governance Report are posted on the Company's website. Links are as follows:

Manual on Corporate Governance link:
http://www.citylandcondo.com/main/docs_pdf/CLDI_MANUAL%20ON%20CORPORATE%20GOVERNANCE_April%202018.pdf

Latest Integrated Annual Corporate Governance Report link:
http://www.citylandcondo.com/main/docs_pdf/CLDI%20I-ACGR%202022%20Redacted.pdf

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.

AUDIT & RISK COMMITTEE

The Audit and Risk Committee consists of three (3) directors with an independent director as the Chairman.

The Audit and Risk Committee's main function is to assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

The Audit and Risk Committee has an Audit and Risk Committee Charter which was disclosed on the Company's website.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, Consultant and Management of City & Land Developers, Incorporated, 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 consultant 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 the Company and the real estate industry.

Upon written request, the Company undertakes to provide without charge a copy of the Annual Report or SEC Form 17A. Copies can be requested from Ms. Michelle Marcelino, 3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Tel. (632)-8893-6060 local 148 or may email at stocks@cityland.net.

CITY & LAND DEVELOPERS, INC.

CERTIFICATION

I hereby certify that the following Directors and Executive Officers of City & Land Developers, Incorporated for the Year 2023 were not elected as public servants, nor appointees, nor employees of any government agency.

Directors:

1. Cesar E.A. Virata
2. Dr, Andrew I. Liuson
3. Grace C. Liuson
4. Josef C. Gohoc
5. Peter S. Dee
6. Helen C. Roxas
7. Benjamin I. Liuson
8. Jefferson C. Roxas
9. Emma A. Choa

Executive Officers:

1. Rudy Go
2. Melita M. Revuelta (retired effective December 31, 2023)
3. Melita L. Tan
4. Romeo E. Ng (retired effective January 6, 2024)
5. Rosario D. Perez
6. Winefreda R. Go (retired effective December 31, 2023)
7. Atty. Andre Anton S. Suarez
8. Jocelyn C. De Asis
9. Hazel Anne C. Paule (appointed January 1, 2024)

Given this 7th day of May 2024.

Certified by:

ATTY. ANDRE ANTON S. SUAREZ
Corporate Secretary

SUBSCRIBED AND SWORN TO before me, a Notary public for and in MANILA this MAY 07 2024 affiant exhibiting to me his Social Security with ID no. and other competent evidence of identification.

Doc. No. 376
Page No. 77
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, **CESAR E. A. VIRATA**, Filipino, of legal age and a resident of 105 Palm One Serendra, 11th Avenue, Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **City & Land Developers, Incorporated** and have been its independent director since June 9, 2009.

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Listed	***Companies***	
Rizal Commercial Banking Corp.	Vice Chairman Director (Non-Executive)	1999-present 1995-present
Lopez Holdings Corporation	Adviser	2021-present
Non-Listed	***Companies***	
ATAR IV Property Holding Co., Inc.	Chairman & Director	2012-present
Malayan Insurance Company, Inc.	Director (Non-Executive)	2004-present
RCBC Bankard Services Corp.	Chairman Director (Non-Executive)	2013-present 2001-present
RCBC Realty Corporation	Director (Non-Executive)	1998-present
Business World Publishing Corp.	Vice Chairman Director	2012-present 1989 present
Malayan Education System, Inc. (Mapua University)	Trustee	1999-present
Cavitex Holdings, Inc.	Director (Non-Executive)	2016-present
Luisita Industrial Park Corporation	Vice Chairman Director (Non-Executive)	2012-present 1999-present
RCBC Land, Inc.	President Director (Non-Executive)	1999-present
YGC Corporate Services, Inc.	Director (Non-Executive)	2001-present
ALTO Pacific Company, Inc.	Chairman Director (Non-Executive)	2014-present
AY Foundation, Inc.	Trustee	1997-present
Yuchengco Center	Trustee	1994-present
World Trade Center Management, Inc.	Director (Non-Executive)	1995-present
Tan Yan Kee Foundation, Inc.	Trustee	2008-present
IFI Support Foundation, Inc.	Trustee	1998-present
UP Business Research Foundation, Inc.	Chairman Emeritus	2020-present
Yuchengco Museum	Trustee	2006-present
UCMP Foundation, Inc.	Chairman	2020-present
Investment & Capital Corp. of the Phils.	Adviser	2022-present
Phil. Dealings System Holding Corp.	Chairman Emeritus	2006-present
Cavite Historical Society, Inc.	Chairman Emeritus	2018-present
Federation for Economic Freedom	Adviser	
UP Engineering Foundation, Inc.	Member	
MAP Agribusiness Foundation, Inc.	Member	1990-present
Makati Business Club	Member	1981-present
Management Association of the Phils.	Member	1966-present

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

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NONE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE		

6. 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.

7. I shall inform the Corporate Secretary of **City & Land Developers, Incorporated** of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand on this 7th day of March 2024 at Makati City MANILA

Affiant

MANILA SUBSCRIBED AND SWORN to before me this ____ day of APR 16 2024 2024 at ______, affiant exhibiting to me his Tax Identification No. ______, as competent evidence of identity.

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

Doc. No. 705;
Page No. 69;
Book No. VI;
Series of 2024

CERTIFICATION OF INDEPENDENT DIRECTORS

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, Inc.** and have been its independent director since December 2006;

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
City & Land Developers, Incorporated	Independent Director Chairman – Audit & Risk Committee	November 2009 to present
Cityland Development Corporation	Independent Director Chairman – Audit & Risk Committee	October 1979 to present 2002 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, Inc.,** 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, Inc.** 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, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this day of APR 16 2024 at MANILA.

Peter S. Dee
Affiant

SUBSCRIBED AND SWORN to before me this APR 16 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. 706 ;
Page no. 67 ;
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

CITY & LAND
DEVELOPERS, INC.

CERTIFICATION

I, Josef Gohoc, of legal age, President of City & Land Developers, Incorporated with SEC Registration No. of 152661 with principal office address at 3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, on oath state:

1. That on behalf of City & Land Developers, Incorporated, I have caused this SEC Form 20-IS (Preliminary Information Statement);
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. That City & Land Developers, Incorporated will comply with the requirements set forth in SEC Notice dated June 24, 2020 for 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 submission to CGFD/MSRD.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of May 2024.

Josef C. Gohoc
Affiant

SUBSCRIBED AND SWORN to before me this day MAY 07 2024 at MANILA, affiant personally appeared and exhibited his Social Security System No. ______ and other competent evidence of identification.

Doc. No. 777
Page No. 77
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.:

C O V E R   S H E E T
for
Audited Financial Statements

SEC Registration Number

1 5 2 6 6 1

COMPANY NAME

CITY & LAND DEVELOPERS, INCORPORATED

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

3/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
AAFS	MSRD	N/A

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
742 (as of December 31, 2023)	2nd 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.*

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

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Industry Classification: K70120
Company Type: Stock Corporation

Document Information

Document ID: OST10415202482198136
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Annual
Remarks: None

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

CITYLAND e-MAIL

Rudy Go <cldi_rg@cityland.net>

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1226 Makati City
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
City & Land Developers, Incorporated
3rd Floor Cityland Condominium 10, Tower I
156 H.V. dela Costa Street, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of City & Land Developers, Incorporated (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company 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 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 financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the financial statements which indicates that the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Real Estate Revenue Recognition

The Company'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 Company 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 Company 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 Company 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 5 to the financial statements.

Audit Response

We obtained an understanding of the Company'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 Company'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 Company'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 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 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 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 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in 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.

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 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of City & Land Developers, Incorporated. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

CITY & LAND DEVELOPERS, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱177,736,923**	₱103,049,854
Short-term investments (Note 4)	**114,000,000**	399,500,000
Installment contracts receivable (Note 5)	**332,445**	4,620,625
Current portion of:		
Contract assets (Note 5)	**236,159,830**	126,730,693
Cost to obtain contracts (Note 5)	**717,790**	–
Other receivables (Note 6)	**10,252,562**	20,485,651
Real estate properties for sale (Note 8)	**1,639,435,839**	1,394,385,073
Other current assets (Note 10)	**2,378,518**	30,547,346
Total Current Assets	**2,181,013,907**	2,079,319,242
Noncurrent Assets		
Contract assets - net of current portion (Note 5)	**315,998,738**	641,494,291
Cost to obtain contracts - net of current portion (Note 5)	**5,023,133**	–
Other receivables - net of current portion (Note 6)	**691,969**	599,826
Financial assets at fair value through other comprehensive income (FVOCI) [Note 7]	**156,275**	528,610
Investment properties (Note 9)	**471,136,436**	181,139,332
Retirement benefit assets (Note 19)	**–**	1,232,592
Other noncurrent assets (Note 10)	**68,294,446**	65,318,529
Total Noncurrent Assets	**861,300,997**	890,313,180
TOTAL ASSETS	**₱3,042,314,904**	₱2,969,632,422
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 11)	**₱126,093,970**	₱106,246,822
Contract liabilities (Note 5)	**10,704,561**	–
Contract payable (Note 12)	**45,556,450**	–
Income tax payable	**1,627,653**	13,315,917
Total Current Liabilities	**183,982,634**	119,562,739
Noncurrent Liabilities		
Accounts payable and accrued expenses - noncurrent portion (Note 11)	**38,793,874**	77,325,787
Contract liabilities - noncurrent portion (Note 5)	**38,662,390**	–
Retirement benefit liability (Note 19)	**3,551,831**	–
Deferred income tax liabilities - net (Note 20)	**8,622,624**	19,637,281
Total Noncurrent Liabilities	**89,630,719**	96,963,068
Total Liabilities	**273,613,353**	216,525,807
Equity		
Capital stock - ₱1.00 par value (Notes 13 and 23)		
Authorized - 1,715,000,000 shares in 2023 and 2022		
Issued - 1,578,542,601 shares held by 742 equity holders and 1,503,374,202 shares held by 745 equity holders as of December 31, 2023 and 2022, respectively	**1,578,542,601**	1,503,374,202
Additional paid-in capital	**105,136**	105,136
Unrealized fair value changes on financial assets at FVOCI (Note 7)	**154,469**	432,775
Accumulated re-measurement loss on defined benefit plans - net of deferred income tax effect (Note 19)	**(7,516,923)**	(3,227,453)
Retained earnings	**1,197,416,268**	1,252,421,955
Total Equity	**2,768,701,551**	2,753,106,615
TOTAL LIABILITIES AND EQUITY	**₱3,042,314,904**	₱2,969,632,422

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE AND INCOME			
Sales of real estate properties (Note 5)	**₱358,659,503**	₱1,058,422,402	₱580,533,339
Financial income (Note 16)	**135,432,864**	96,019,848	66,929,633
Rent income (Note 9)	**10,956,005**	6,084,965	4,269,130
Other income - net (Note 18)	**7,624,017**	9,835,397	8,344,353
	512,672,389	1,170,362,612	660,076,455
COST AND EXPENSES			
Costs of real estate sales (Note 8)	**151,542,477**	465,129,606	326,304,863
Operating expenses (Note 14)	**162,008,316**	164,871,674	110,864,405
Financial expenses (Note 17)	**470,350**	721,700	157,200
	314,021,143	630,722,980	437,326,468
INCOME BEFORE INCOME TAX	**198,651,246**	539,639,632	222,749,987
PROVISION FOR INCOME TAX (Note 20)	**41,230,162**	127,386,207	48,316,078
NET INCOME	**₱157,421,084**	₱412,253,425	₱174,433,909
BASIC/DILUTED EARNINGS PER SHARE (Note 24)	**₱0.10**	₱0.27	₱0.12

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱157,421,084**	₱412,253,425	₱174,433,909
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit plan - net of income tax effect (Notes 19 and 20)	**(4,289,470)**	1,323,916	1,786,299
Changes in fair value of financial assets at fair value through other comprehensive income (loss) [Note 7]	**(278,306)**	(100,136)	134,448
	(4,567,776)	1,223,780	1,920,747
TOTAL COMPREHENSIVE INCOME	**₱152,853,308**	₱413,477,205	₱176,354,656

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Capital Stock (Note 13)	Additional Paid-in Capital	Unrealized Fair Value Changes of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) (Note 7)	Accumulated Re-measurement on Defined Benefit Plan-Net of Deferred Income Tax Effect (Note 19)	Retained Earnings (Note 13)	Total
BALANCES AT DECEMBER 31, 2020	**₱1,431,785,284**	**₱105,136**	**₱398,463**	**(₱6,337,668)**	**₱802,437,300**	**₱2,228,388,515**
Net income	–	–	–	–	174,433,909	174,433,909
Other comprehensive income	–	–	134,448	1,786,299	–	1,920,747
Total comprehensive income	–	–	134,448	1,786,299	174,433,909	176,354,656
Cash dividends - ₱0.01392 per share	–	–	–	–	(19,725,824)	(19,725,824)
BALANCES AT DECEMBER 31, 2021	**₱1,431,785,284**	**₱105,136**	**₱532,911**	**(₱4,551,369)**	**₱957,145,385**	**₱2,385,017,347**
BALANCES AT DECEMBER 31, 2021	**₱1,431,785,284**	**₱105,136**	**₱532,911**	**(₱4,551,369)**	**₱957,145,385**	**₱2,385,017,347**
Net income	–	–	–	–	412,253,425	412,253,425
Other comprehensive income (loss)	–	–	(100,136)	1,323,916	–	1,223,780
Total comprehensive income (loss)	**–**	**–**	**(100,136)**	**1,323,916**	**412,253,425**	**413,477,205**
Cash dividends - ₱0.0317 per share	–	–	–	–	(45,387,590)	(45,387,590)
Stock dividends - 5% distributed in 2022	71,588,918	–	–	–	(71,588,918)	–
Fractional shares of stock dividends	–	–	–	–	(347)	(347)
BALANCES AT DECEMBER 31, 2022	**₱1,503,374,202**	**₱105,136**	**₱432,775**	**(₱3,227,453)**	**₱1,252,421,955**	**₱2,753,106,615**
BALANCES AT DECEMBER 31, 2022	**₱1,503,374,202**	**₱105,136**	**₱432,775**	**(₱3,227,453)**	**₱1,252,421,955**	**₱2,753,106,615**
Net income	–	–	–	–	157,421,084	157,421,084
Other comprehensive income (loss)	–	–	(278,306)	(4,289,470)	–	(4,567,776)
Total comprehensive income (loss)	–	–	(278,306)	(4,289,470)	157,421,084	152,853,308
Cash dividends - ₱0.0913 per share	–	–	–	–	(137,258,061)	(137,258,061)
Stock dividends - 5% distributed in 2023	75,168,399	–	–	–	(75,168,399)	–
Fractional shares of stock dividends	–	–	–	–	(311)	(311)
BALANCES AT DECEMBER 31, 2023	**₱1,578,542,601**	**₱105,136**	**₱154,469**	**(₱7,516,923)**	**₱1,197,416,268**	**₱2,768,701,551**

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱198,651,246**	₱539,639,632	₱222,749,987
Adjustments for:			
Interest income (Note 16)	**(135,427,027)**	(96,008,470)	(66,918,302)
Movement in retirement benefits (Note 19)	**(934,870)**	(442,663)	10,838
Dividend income (Note 16)	**(5,837)**	(11,378)	(11,331)
Operating income before working capital changes	**62,283,512**	443,177,121	155,831,192
Decrease (increase) in:			
Installment contracts receivable	**4,288,180**	395,164	(3,249,896)
Contract assets	**216,066,416**	(271,818,651)	(88,206,934)
Cost to obtain contracts	**(5,740,923)**	2,405,624	4,125,152
Other receivables	**10,539,257**	(13,568,881)	(876,474)
Real estate properties for sale	**(245,050,766)**	276,077,250	(11,669,085)
Other assets	**25,286,940**	(65,650,835)	2,573,274
Increase (decrease) in:			
Accounts payable and accrued expenses	**(18,902,339)**	(86,432,385)	126,623,107
Contract liabilities	**49,366,951**	(57,337,094)	(68,010,219)
Cash generated from operations	**98,137,228**	227,247,313	117,140,117
Interest received	**135,028,716**	93,255,195	66,654,268
Income taxes paid, including creditable and final withholding taxes	**(62,503,260)**	(106,941,099)	(40,900,255)
Net cash flows from operating activities	**170,662,684**	213,561,409	142,894,130
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from (purchase of) short-term investments (Note 4)	**285,500,000**	(276,000,000)	(65,000,000)
Purchase of investment properties (Note 9)	**(244,440,654)**	–	–
Dividends received	**5,837**	11,378	11,331
Costs incurred on real estate properties held for future development	**–**	(372,742)	(25,635,897)
Net cash flows from (used in) investing activities	**41,065,183**	(276,361,364)	(90,624,566)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividends paid (Notes 11 and 13)	**(137,040,798)**	(45,162,080)	(19,567,213)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**74,687,069**	(107,962,035)	32,702,351
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	**103,049,854**	211,011,889	178,309,538
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱177,736,923**	₱103,049,854	₱211,011,889

See accompanying Notes to Financial Statements

1. Corporate Information

City & Land Developers, Incorporated (the Company) was incorporated in the Philippines on June 28, 1988. Its primary purpose is to establish an effective institutional medium for acquiring and developing suitable land sites for residential, office, commercial, institutional and industrial uses primarily, but not exclusively, in accordance with the subdivision, condominium, and cooperative concepts of land-utilization and land-ownership. The Company's registered office and principal place of business is 3/F Cityland Condominium 10, Tower I, 156 H. V. Dela Costa Street, Makati City.

The Company is 49.73%-owned by Cityland Development Corporation (CDC), a publicly listed company incorporated and domiciled in the Philippines. The Company's ultimate parent is Cityland, Inc. (CI), a company incorporated and domiciled in the Philippines, which prepares consolidated financial statements and that of its subsidiaries.

The financial statements of the Company 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

Basis of Preparation
The financial statements of the Company have been prepared using the historical cost basis, except for financial assets measured at fair value through other comprehensive income (FVOCI) that have been measured at fair values. The financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All values are rounded to the nearest Peso except when otherwise indicated.

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

Statement of Compliance
The accompanying financial statements of the Company 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 in 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 Company prior to the issuance of the PIC Q&A 2018-12 and the Company 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 Company 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 financial statements of the Company.

- 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 Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the 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 Company's financial statements because the Company'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 Company's financial statements because the Company'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.

<u>Fair Value Measurement</u>
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 Company.
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 Company 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level 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 input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company 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.

Financial Instruments

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.

Financial Assets

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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company 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 Company'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 Company 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 Company. The Company 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.

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 the statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments, installment contracts receivable, other receivables and deposits under "Other noncurrent assets".

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as financial assets 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 statement of income when the right of payment has been established, except when the Company 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 Company elected to classify irrevocably its listed equity investments under this category (Note 7).

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 Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or,
- the Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

Modification of contractual cash flows
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of comprehensive income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Impairment of financial assets
The Company 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 Company 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. 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 Company's financial liabilities include accounts payable and accrued expenses and contract payable.

Loans and borrowings
This is the category most relevant to the Company. 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 statement 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 statement of income.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of th1e liability and are amortized over the remaining term of the modified liability.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

<u>Real Estate Properties for Sale</u>
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 which is 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 Company 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 statement of income.

Investment Properties

Investment properties which represent real estate properties held for lease and for capital appreciation are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of existing investment property 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, 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.

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 real estate properties for future development and investment properties are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to 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 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 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.

Impairment of Nonfinancial Assets

The carrying values of investment properties 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 statement 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 Company assesses at each reporting period whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Company 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 statement 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 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 statement 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 statement of financial position.

Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. When the 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 Company, 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 the changes in accounting policy and other capital adjustments.

The retained earnings include deemed cost adjustment on land recorded under "Investment properties" that arose when the Company transitioned to PFRSs in 2005. The deemed cost adjustment will be realized through sale. The deferred income tax liability on the deemed cost adjustment is transferred to the statement 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 Company 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.

Revenue Recognition

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

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

Sales of real estate properties

The Company derives its real estate revenue from sale of 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 customers, the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Company uses input method. Input methods recognize 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 Company uses the costs accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

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 recognized as installment contract receivables (unconditional) or contract asset (conditional) in the asset section of the statement of financial position.

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

Cost recognition

The Company recognizes costs relating to satisfied performance obligations as these are incurred. 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.

In addition, the Company recognizes 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.

Contract Balances

Receivables

A receivable represents the Company'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 customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs its obligations under the contract.

Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. The Company has determined that commissions paid to sales personnel 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 statement of income.

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

Amortization and derecognition of capitalized costs to obtain a contract

The Company amortizes capitalized costs to obtain a contract to operating expenses 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.

Interest Income

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

Dividend Income

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

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets

The Company 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 Company 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.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. 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 lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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 statement 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 statement 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 statement of comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. 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 Company'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 Company 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 Company 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 statement 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 provisions due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the 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 financial statements but disclosed in the notes to 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 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 statement 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 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. 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 which includes unrealized fair value changes on financial assets at FVOCI and re-measurement of defined benefit plan are recognized in the parent company statement of comprehensive income and not in the parent company 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 Company'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 25 in the financial statements. The Company'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 Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company 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 Company 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 Company 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.

  As of December 31, 2023 and 2022, the Company has no supplier-finance arrangements.

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.

As of December 31, 2023 and 2022, the Company has no insurance contracts.

- 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 Company does not expect that the amendments will have a significant impact on its 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 Financial and Sustainability Reporting Standards Council 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.

3. **Significant Accounting Judgments, Estimates and Assumptions**

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

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

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

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 Company's primary document for a contract with a customer 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 contract with the customer under PFRS 15.

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

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

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

- *Identifying performance obligation*
  The Company has various contracts to sell covering its sale of condominium units and other real estate properties. The Company concluded that there is one performance obligation in each of these contracts. For the contract covering condominium unit, the developer 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, the Company integrates certain activities to the said property to be able to deliver the property based on the contract with the customer. Included also in this performance obligation is the Company's service to transfer the title of the real estate unit to the customer.

b. *Principal versus agent considerations*
   The contract for the office spaces and condominium units leased out by the Company to its tenants includes the right to charge for the electricity and water usage.

   For electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company 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 primarily responsible for the provisioning of the utilities while the Company, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Company does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by utility providers.

Distinction between real estate properties for sale and investment properties (real properties held for lease or for capital appreciation)
The Company determines whether a property is classified as for sale, for lease or for capital appreciation. Real estate properties which the Company develops and intends to sell on or before completion of construction 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 Company, 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.

Determination of impairment indicators on investment properties
The Company determines whether its nonfinancial assets such as investment properties 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 Company 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 Company 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. No impairment indicator was noted as of December 31, 2023 and 2022.

Operating lease commitments – Company as lessor
Management has determined that the Company retains all the significant risks and rewards of ownership of the properties and thus, accounts for the contracts as operating leases. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and, the lease term is not for the major part of the asset's economic life.

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 Company'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, including costs that have not yet been billed by the contractors. 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 cost is prepared by the Company's project engineers and are independently reviewed by the Company'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 5 while the amounts of costs of real estate sales are disclosed in Note 8.

Provision for expected credit losses of installment contract receivables and contract assets

The Company 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 Company's relationship with the customer, the customer's payment behavior, known market factors that affect the collectability of the accounts.

The provision matrix is initially based on the Company's historical observed default rates. The Company 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 such as inflation rate, gross domestic product, interest rate and unemployment rate and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company'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 Company's installment contract receivables and contract assets is disclosed in Note 22.

As of December 31, 2023 and 2022, the carrying amounts of installment contracts receivable, contract assets and other receivables are disclosed in Notes 5 and 6.

Determination of net realizable value of real estate properties for sale

The Company's estimates of the net realizable value of real estate properties for sale 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 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 and held for future development to be written down below cost no longer exist or when there is 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 8.

Determination of the fair value of investment properties
The Company discloses the fair values of its investment properties in accordance with PAS 40, *Investment Property.* The Company engaged SEC-accredited independent valuation specialists to determine the fair value as of December 31, 2023 and 2022. The Company's investment properties consist of land and building pertaining to commercial properties. These are valued by reference to 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 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.

The fair value of investment properties as of December 31, 2023 and 2022 are disclosed in Notes 9 and 22 while the carrying amounts of the investment properties as of December 31, 2023 and 2022 are disclosed in Note 9.

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 PH BVAL Reference Rates at 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 19. The carrying amounts of retirement benefits asset (liability) as of December 31, 2023 and 2022 are disclosed in Note 19.

Recognition of deferred income tax assets
The Company 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 20.

4. Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents consist of:

	2023	2022
Cash on hand and in banks	**₱32,268,807**	₱20,581,738
Cash equivalents	**145,468,116**	82,468,116
	₱177,736,923	₱103,049,854

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term investment rates.

Short-term investments consist of:

	2023	2022
Short-term cash investments	**₱62,000,000**	₱385,500,000
Short-term bond investments	**52,000,000**	14,000,000
	₱114,000,000	₱399,500,000

Short-term investments pertain to cash and bond investments that have maturities of more than three (3) months to one (1) year from the date of acquisition and earn interest at the prevailing market interest rates.

Interest income earned from cash in banks, cash equivalents and short-term investments are disclosed in Note 16.

5. Revenue from Contracts with Customers

a. *Disaggregated Revenue Information*

The Company derives revenue from real estate sales over time in different product types. The disaggregation of each source of revenue from contracts with customers are as follows:

Type of Product	2023	2022	2021
High-rise condominium units	**₱302,865,699**	₱1,032,315,259	₱554,293,451
Parking slots and others	**55,793,804**	26,107,143	26,239,888
Total	**₱358,659,503**	₱1,058,422,402	₱580,533,339

Real estate sales of the Company pertain to sale of properties within Metro Manila. All of the Company's real estate sales are revenue from contracts with customers recognized over time. Sales for real estate properties arose from contracts with external buyers. There were no intercompany sales/transactions made on the said years.

Contract Balances

	2023	2022
Installment contracts receivable	**₱332,445**	₱4,620,625
Contract assets		
Current	**236,159,830**	126,730,693
Noncurrent	**315,998,738**	641,494,291
Contract liabilities		
Current	**(10,704,561)**	–
Noncurrent	**(38,662,390)**	–

Installment contracts receivable arise from sales of real estate properties and are collectible in monthly installments for periods ranging from one (1) to ten (10) years which bears monthly interest rates of 0.92% to 1.50% in 2023 and 2022.

The Company, CI, and CDC entered into a contract of guaranty under Retail Guaranty Line with Philippine Guaranty Corporation (PHILGUARANTEE). The amount of installment contracts receivable enrolled and renewed by the Company amounted to ₱335.00 million and ₱307.00 million in 2023 and 2022, respectively. The Company paid a guaranty premium of 1.00% based on the outstanding principal balances of the receivables enrolled (see Note 14).

Contract assets represent the right to consideration that was already delivered by the Company in excess of the amount recognized as installment contracts receivable. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

In September 2019, PIC issued additional guidance to the real estate industry on the implementation of PFRS 15, including guidance on the recording of the difference between the consideration received from the customer and the transferred goods to the customer (i.e., measured based on POC). The PIC allowed real estate companies to recognize the difference as either a contract asset or unbilled receivable. If presented as a contract asset, the disclosures required under PFRS 15 should be complied with. Otherwise, the disclosures required under PFRS 9 should be provided.

The Company opted to retain its existing policy of recording the difference between the consideration received from the customer and the transferred goods to the customer as contract asset.

Interest income earned from installment contracts receivable and contract assets is disclosed in Note 16.

No provision for ECL was recorded for the Company's installment contract receivables and contract assets in 2023 and 2022 (see Note 22).

Contract liabilities amounting to ₱49.37 million and nil as of December 31, 2023 and 2022, respectively, refer to excess of collections over the goods and services transferred by the Company based on POC. In February 2023, the Company launched its new project, One Hidalgo, causing the increase in the contract liabilities. Revenue included in the contract liability is recognized based on the movement of the POC. Contract liabilities amounting to nil and ₱57.34 million were recognized as revenue in 2023 and 2022, respectively.

Movements in contract liabilities in 2023 and 2022 were recognized as income based on the POC of the ongoing projects.

b. *Performance obligations*

Information about the Company's performance obligations are summarized below:

Real estate sales
The Company 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 covers either the condominium unit or parking lot and the Company concluded that there is one performance obligation in each of the contracts. The Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the buyer. The financing scheme would include down payment of generally 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 Company offered to customers the "installment down payment" scheme starting 2020 wherein certain projects were offered with six (6) to 36 months to pay the corresponding down payment. The new scheme introduced by the Company resulted to sales with percentage of collection lower than 10%. The Company records these collections as "Customers' deposits" under "Accounts payable and accrued expenses" account in the statements of financial position.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 amounted to ₱468.93 million and nil, respectively.

In 2023, the Company has an ongoing project, One Hidalgo, which is expected to be completed in September 2027. As of December 31, 2022, the Company has completed One Taft Residences.

The remaining performance obligations expected to be recognized within one (1) year and in more than one (1) year relate to the continuous development of the Company's real estate projects. The Company's condominium units are completed within three (3) years to five (5) years from start of construction.

c. *Cost to obtain contracts*

The balances below pertain to the cost to obtain contracts as of December 31 as presented in the statements of financial position:

	2023	2022
Balances at beginning of year	**₱–**	₱2,405,624
Additions	**6,975,605**	8,112,196
Amortization	**(1,234,682)**	(10,517,820)
Balances at end of year	**5,740,923**	–
Less noncurrent portion	**(5,023,133)**	–
Current portion	**₱717,790**	₱–

6. Other Receivables

Other receivables consist of:

	2023	2022
Accrued interest (Note 21)	**₱3,715,668**	₱3,317,357
Advances to customers	**3,627,818**	13,324,992
Advances to condominium corporations	**2,739,266**	3,315,361
Due from related parties (Note 21)	**493,809**	848,018
Rent receivable	**107,857**	133,347
Others	**260,113**	146,402
	10,944,531	21,085,477
Less noncurrent portion	**(691,969)**	(599,826)
Current portion	**₱10,252,562**	₱20,485,651

Advances to customers are receivables of the Company for the real estate property taxes of sold condominium units and expenses relating to the transfer of titles initially paid by the Company. Accrued interest pertains to interest income earned as of December 31 but not yet received by the Company. Advances to condominium corporations pertain to disbursements that are collectible from condominium corporations. Due from related parties pertains to the amount of receivables to be collected from related parties where one party can exercise control or significant influence over another party. Rent receivable arose from the investment properties rented-out under non-cancellable long-term operating lease contracts (see Note 9). Other receivables include other expenses initially paid by the Company on behalf of the customers and employees' advances. No provision for ECL was recorded for the Company's other receivables in 2023 and 2022 (see Note 22).

7. Financial Assets at FVOCI

Financial assets at FVOCI consist of investments in quoted equity securities.

The movements in "Unrealized fair value change on financial assets at FVOCI" account presented in the equity section of the statements of financial position are as follows:

	2023	2022
Balances at beginning of year	**₱432,775**	₱532,911
Changes in fair value	**(278,306)**	(100,136)
Balances at end of year	**₱154,469**	₱432,775

8. Real Estate Properties for Sale

Real estate properties for sale consists of costs incurred in the development of condominium units and residential houses for sale. The movements in real estate properties for sale are as follows:

	2023	2022
Balances at beginning of year	**₱1,394,385,073**	₱1,150,096,752
Construction/development costs incurred	**396,246,440**	174,075,708
Costs of real estate sales	**(151,542,477)**	(465,129,606)
Transfer from real estate properties for future development	–	520,365,571
Other adjustments - net	**346,803**	14,976,648
Balances at end of year	**₱1,639,435,839**	₱1,394,385,073

In 2022, the Company transferred real estate properties for future development to real estate properties for sale when the Company had approved the plan of development for the real estate properties.

Real estate properties for sale account includes capitalized borrowing costs incurred during each year in connection with the development of the properties. No interest was capitalized in 2023 and 2022.

Net 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.

9. Investment Properties

Investment properties as of December 31 represent the real estate properties for lease which consist of:

	2023	2022
Land - at cost		
Balances at beginning of year	**₱181,139,332**	₱181,139,332
Additions	**289,997,104**	–
Balances at end of year	**471,136,436**	181,139,332
Building - at cost		
Cost		
Balances at beginning and end of year	**814,458**	814,458
Accumulated depreciation		
Balances at beginning and end of year	**(814,458)**	(814,458)
Net book value	–	–
Total net book value	**₱471,136,436**	₱181,139,332

The net book value of land includes net deemed cost adjustment amounting to ₱12.67 million as of December 31, 2023 and 2022. The deemed cost adjustment arose when the Company 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 amounted to ₱2,115.36 million and ₱1,575.42 million as of dates of appraisal in 2023 and 2022, respectively (see Note 22).

Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value. The valuation considers its current use as the highest and best use of the properties.

Rental agreements
The Company entered into lease agreements for its office spaces and condominium units for lease with the following identified performance obligations: (a) lease of space; and (b) provisioning of water and electricity. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. The tenant is required to issue post-dated check 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 Company'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.

Rent income from investment properties amounted to ₱10.96 million, ₱6.08 million and ₱4.27 million in 2023, 2022 and 2021, respectively.

Investment properties are rented out at different rates generally for a one-year term renewable every year.

The Company has an existing non-cancellable operating lease contract with a domestic corporation which commenced in July 2018 with a lease term of five (5) years and was renewed for another five (5) years.

In 2023, the Company entered into new long-term lease transactions with a domestic corporation and an individual for a lease term of five (5) and three (3) years, respectively. Additional short-term lease contracts were also entered into by the Company.

The direct operating expenses on investment properties pertaining to depreciation, real estate taxes and other expenses amounted to ₱3.46 million, ₱5.29 million and ₱1.15 million in 2023, 2022 and 2021, respectively (see Note 14).

The future minimum lease payments for these lease agreements as of December 31 are as follows:

	2023	2022
Not later than one year	**₱2,664,897**	₱526,849
Later than one year and not later than five years	**9,114,735**	–
	₱11,779,632	₱526,849

10. **Other Assets**

Other current assets consist of prepaid expenses, input VAT and advances to contractors amounting to ₱2.38 million and ₱30.55 million as of December 31, 2023 and 2022, respectively. In 2023, the Company utilized the input VAT relating to the parcel lot amounting to ₱26.79 million.

Other noncurrent assets consist of:

	2023	2022
Guaranty deposit (Note 21)	**₱62,999,438**	₱62,999,438
Utility deposits	**4,318,867**	1,355,649
Rental deposit and others	**976,141**	963,442
	₱68,294,446	₱65,318,529

Guaranty deposit pertains to placement made by Credit & Land Holdings, Inc., an affiliate of the Company, in favor of the Housing and Land Use Regulatory Board (HLURB) wherein the Company is required to secure a cash bond in relation to the construction and development of its ongoing project (see Note 21). Interest income earned from guaranty deposits is disclosed in Notes 16 and 21.

Utility deposits pertain to water and electricity deposits by the Company. Rental deposits and others pertain to deposits from lease contracts and advances made by the Company for the contractors' supply requirements. The impact of discounting is immaterial.

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	2023	2022
Trade payables	**₱38,941,248**	₱81,769,226
Accrued expenses:		
Development costs	**53,614,384**	61,816,511
Directors' fee (Note 21)	**10,093,030**	16,236,714
Sick leave (Note 19)	**8,417,911**	7,306,527
Customers' deposits (Note 5)	**23,054,390**	5,694,407
Due to related parties (Note 21)	**21,154,990**	72,429
Dividends payable	**3,718,758**	3,501,184
Withholding taxes payable	**1,526,244**	5,004,530
VAT payable	**1,397,808**	–
Others	**2,969,081**	2,171,081
	164,887,844	183,572,609
Less noncurrent portion	**(38,793,874)**	(77,325,787)
Current portion	**₱126,093,970**	₱106,246,822

Trade payables consist of payables to suppliers, contractors and other counterparties. Accrued expenses represent various accruals of the Company for its expenses and real estate projects. Accrued development costs represent the corresponding accrued expenses for the completed condominium units of the Company. Customers' deposits consist of customers' reservation fees, collections pertaining to sales transactions with below 10% percentage of collection (see Note 5), rental deposits, collected deposits for water and electric meters of the sold units and security deposits made by the lessees on the Company's properties for lease which is typically equivalent to three (3) months rental. Due to related parties pertains to the amount of payables to be paid to related parties. Other payables pertain to deferred rent income, commissions from sales transactions and employees' payable.

The movements in dividends payable as of December 31 are as follows:

	2023	2022
Beginning balances	**₱3,501,184**	₱3,275,327
Declaration	**137,258,372**	45,387,937
Payment	**(137,040,798)**	(45,162,080)
Ending balances	**₱3,718,758**	₱3,501,184

12. **Commitments**

Contract payable amounting to ₱45.56 million and nil as of December 31, 2023 and 2022, respectively, represents liability arising from a contract entered into by the Company to purchase properties.

In 2023, the Company purchased a property recorded under "Investment properties" account. As of December 31, 2023, the balance of contract payable pertaining to the newly acquired property amounted to ₱45.56 million and is expected to be settled within a year.

The Company, CI, CDC and Cityplans, Incorporated (CPI) [the Group] have credit lines with financial institutions aggregating to about ₱1.80 billion as of December 31, 2023 and 2022 which are available for drawing by any of the companies within the Group. No loans were availed by the Group from the credit line as of December 31, 2023 and 2022.

The Company has no specific credit lines with financial institutions as of December 31, 2023 and 2022.

The carrying values of CDC's investment properties and real estate properties for sales 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
	₱197,887,005

13. **Equity**

The Company registered 175,000,000 shares with the SEC on April 21, 1989 with an initial offer price of ₱1.00. On December 13, 1999, the issued and outstanding capital stock of the Company was listed in the Philippine Stock Exchange after the initial public offering on November 29, 1999.

On April 26, 2021, the BOD approved the Board Resolution regarding the following:

a. Declaration of Five Percent (5%) stock dividend;
b. Increase in authorized capital stock from 1,435,000,000 shares to 1,715,000,000 shares with par value of ₱1.00 per share; and
c. To cause the amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of ₱1.00 per share.

The said resolution was approved and ratified by owners owning at least 2/3 of the outstanding shares during the Annual Stockholders' Meeting held last June 8, 2021.

On July 29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock. Further, the SEC resolved to authorize the issuance of 71,589,265 shares with par value of ₱1.00 per share to cover the 5% stock dividends declared by the BOD on April 26, 2021 and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock on June 8, 2021 and the issuance of shares of stock to stockholders of record as of August 30, 2022.

The said stock dividends were distributed to stockholders on September 23, 2022.

In a special meeting held on April 28, 2023, the BOD approved the declaration of five percent (5%) stock dividends to stockholders of record as of July 13, 2023 which was distributed on August 8, 2023. The said dividend declaration was approved and ratified by the stockholders during the Annual Stockholders' Meeting held last June 13, 2023.

As of December 31, 2023 and 2022, the Company has 1,578,542,601 and 1,503,374,202 shares held by 742 and 745 equity holders, respectively.

Below summarizes the authorized and outstanding shares of capital stock:

	2023	2022	2021
Authorized common stock - ₱1 par value			
Balances at beginning of year	**1,715,000,000**	1,435,000,000	1,435,000,000
Increase in authorized capital stock	–	280,000,000	–
Balances at end of year	**1,715,000,000**	1,715,000,000	1,435,000,000
Issued and outstanding			
Balances at beginning of year	**1,503,374,202**	1,431,785,284	1,431,785,284
Stock dividends distributed	**75,168,399**	71,588,918	–
Balances at end of year	**1,578,542,601**	1,503,374,202	1,431,785,284

Dividends declared and issued/paid by the Company in 2023, 2022 and 2021 follows:

Dividends	Board Approval Date	Stockholders' Approval Date	Per Share	Stockholders of Record Date	Date Issued/Paid
Cash	June 7, 2023	–	₱0.09130	July 7, 2023	August 2, 2023
	June 8, 2022	–	₱0.03170	June 22, 2022	July 8, 2022
	June 4, 2021	–	₱0.01392	July 2, 2021	July 28, 2021
Stock*	April 28, 2023	June 13, 2023	5.00%	July 13, 2023	August 8, 2023
	April 26, 2021	June 8, 2021	5.00%	August 30, 2022	September 23, 2022

**No stock dividend declared in 2022.*

Fractional shares of stock dividends were paid in cash by the Company to its shareholders based on the par value.

As of December 31, 2023 and 2022, the unappropriated retained earnings include the impact of the remaining balance of deemed cost adjustment of investment properties amounting to ₱12.67 million, net of related deferred tax of ₱4.22 million, which arose when the Company transitioned to PFRS in 2005. This amount has yet to be realized through sales. The balance of unappropriated retained earnings is restricted for the payment of dividends to the extent of the balance of the deemed cost adjustment.

The balance of retained earnings is restricted for the payment of dividends to the extent of the following:

	2023	2022
Deemed cost adjustment, net of tax	**₱12,670,047**	₱12,670,047
Fair value adjustment arising from repossessed inventories	**447,644**	(7,615,045)
Deferred income tax assets (Note 20)	**5,453,427**	6,666,120
	₱18,571,118	₱11,721,122

14. **Operating Expenses**

Operating expenses consist of:

	2023	2022	2021
Personnel (Note 15)	**₱85,034,434**	₱93,256,104	₱74,795,959
Professional fees	**22,220,730**	24,016,042	9,843,496
Taxes and licenses	**20,964,205**	12,260,996	11,176,351
Brokers' commission	**9,568,302**	7,344,224	2,112,608
Membership dues	**6,296,688**	3,791,001	954,734
Outside services	**3,469,125**	3,133,090	1,403,093
Insurance (Note 5)	**2,587,565**	3,687,380	2,313,471
Repairs and maintenance	**2,064,773**	2,225,650	2,076,019
Rent expense	**1,965,060**	1,769,856	1,634,596
Power, light and water	**1,668,565**	2,092,624	1,148,481
Postage, telephone and telegraph	**904,208**	1,029,866	1,094,098
Transportation	**862,948**	597,961	372,413
Advertising and promotions	**687,915**	574,712	731,809
Stationery and office supplies	**104,068**	174,665	114,419
Donations and contributions	**–**	3,600,000	–
Others	**3,609,730**	5,317,503	1,092,858
	₱162,008,316	₱164,871,674	₱110,864,405

Rent expense pertains to the lease payments on the short-term lease transactions entered into by the Company.

15. **Personnel Expenses**

Personnel expenses consist of:

	2023	2022	2021
Salaries and wages	**₱42,747,256**	₱37,506,204	₱36,828,358
Bonuses and other employee benefits	**26,614,148**	24,130,900	20,294,951
Commissions	**14,508,230**	30,202,809	15,802,958
Retirement benefits cost (Note 19)	**1,164,800**	1,416,191	1,869,692
	₱85,034,434	₱93,256,104	₱74,795,959

16. Financial Income

Financial income consists of:

	2023	2022	2021
Interest income from:			
Installment contracts receivable and contract assets (Note 5)	**₱101,603,663**	₱80,815,256	₱62,707,728
Cash equivalents and short-term investments (Note 4)	**28,935,382**	13,421,891	4,171,852
Guaranty deposit (Note 10)	**4,051,776**	1,754,597	–
Cash in banks (Note 4)	**836,206**	16,726	38,722
Dividend income	**5,837**	11,378	11,331
	₱135,432,864	₱96,019,848	₱66,929,633

17. Financial Expenses

Financial expenses amounting to ₱0.47 million, ₱0.72 million and ₱0.16 million in 2023, 2022 and 2021, respectively, pertain to finance charges.

18. Other Income - Net

Other income - net amounting to ₱7.62 million, ₱9.84 million and ₱8.34 million in 2023, 2022 and 2021, respectively, pertains to the gain or loss arising from forfeiture or cancellation of prior years' real estate sales arising from the difference between the outstanding balance of receivables and the original cost of the inventories. In addition, other income - net includes penalties for customers' late payments and sale of scraps, income from mark-up on sharing of expenses and forfeiture of reservations and down payments received on sales which were not consummated.

19. 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 Company, 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 15), are as follows:

	2023	2022	2021
Current service cost	**₱1,252,438**	₱1,367,621	₱1,720,785
Net interest cost (income) on net defined benefit obligation	**(87,638)**	48,570	148,907
Net retirement benefits cost	**₱1,164,800**	₱1,416,191	₱1,869,692

Re-measurement loss (gain) recognized in the statements of comprehensive income comprises the following:

	2023	2022	2021
Actuarial loss (gain) on defined benefit obligation:			
Due to change in financial assumption	**₱3,348,104**	(₱1,807,380)	(₱2,368,505)
Due to experience adjustments	**2,153,895**	(373,828)	(128,144)
Loss (gain) on plan assets excluding amounts included in net interest cost	**217,294**	415,987	(488,669)
Re-measurement loss (gain)	**5,719,293**	(1,765,221)	(2,985,318)
Income tax effect (Note 20)	**(1,429,823)**	441,305	1,199,019
	₱4,289,470	(₱1,323,916)	(₱1,786,299)

The details of the net retirement benefits liability (asset) are as follows:

	2023	2022
Present value of defined benefit obligation	**₱18,616,982**	₱15,270,456
Fair value of plan assets (Note 21)	**(15,065,151)**	(16,503,048)
Retirement benefits liability (asset)	**₱3,551,831**	(₱1,232,592)

Movements in net retirement benefits liability (asset) are as follows:

	2023	2022
Beginning balances	**(₱1,232,592)**	₱975,292
Retirement benefits cost	**1,164,800**	1,416,191
Re-measurement loss (gain)	**5,719,293**	(1,765,221)
Contributions (Note 21)	**(2,099,670)**	(1,858,854)
Ending balances	**₱3,551,831**	(₱1,232,592)

Changes in present value of defined benefit obligation are as follows:

	2023	2022
Balances at beginning of year	**₱15,270,456**	₱18,957,450
Current service cost	**1,252,438**	1,367,621
Interest cost on defined benefit obligation	**1,085,729**	944,081
Benefits paid	**(4,493,640)**	(3,817,488)
Actuarial loss (gain)	**5,501,999**	(2,181,208)
Balances at end of year	**₱18,616,982**	₱15,270,456

Changes in fair value of plan assets are as follows:

	2023	2022
Balances at beginning of year	**₱16,503,048**	₱17,982,158
Contributions to the plan	**2,099,670**	1,858,854
Interest included in net interest costs	**1,173,367**	895,511
Benefits paid	**(4,493,640)**	(3,817,488)
Actuarial loss excluding amount recognized in net interest cost	**(217,294)**	(415,987)
Balances at end of year	**₱15,065,151**	₱16,503,048

The actual return amounted to ₱0.96 million and ₱0.48 million in 2023 and 2022, respectively.

The major categories of plan assets of the Company with its affiliated companies as a percentage of the fair value of net plan assets are as follows:

	2023	2022
Investment properties	**52.82%**	51.79%
Cash and cash equivalents	**43.68%**	44.74%
Investments in equity securities	**3.41%**	3.37%
Receivables	**0.15%**	0.17%
Payables	**(0.06%)**	(0.07%)
	100.00%	100.00%

Investment properties pertain to condominium units which are held for lease and are stated at fair value (see Note 21). Cash and cash equivalents consist of savings deposits and short-term time deposits with maturities of less than three (3) months. Investments in equity securities consist of investment in shares of stock of listed companies. Investments in equity securities have quoted market prices in an active market. Receivables include loans to individuals and accrued interest income.

The Company expects to contribute ₱2.10 million to the retirement fund in 2024.

The Company does not currently employ any asset-liability matching. The latest actuarial valuation report is as of December 31, 2023. The principal assumptions used in determining retirement benefits cost for the Company's plan as of January 1 are as follows:

	2023	2022
Number of employees	**46**	50
Discount rate per annum	**7.11%**	4.98%
Future annual increase in salary	**4.00%**	3.00%
Mortality rate	**1994 GAM***	1994 GAM*
Disability rate	**1952 Disability Study**	1952 Disability Study

**Group Annuity Mortality Table*

As of December 31, 2023, the discount rate is 6.07% and the future increase in salary is 5.00%.

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, 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%	**(₱962,638)**	(₱1,687,254)
	-0.50%	**1,076,082**	1,834,383
Salary increase rate	+1.00%	**2,214,027**	3,756,600
	-1.00%	**(1,808,045)**	(3,235,467)

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
1 year and less	0	₱–
More than 1 year to 5 years	2	10,119,998
More than 5 years to 10 years	3	6,236,432
More than 10 years to 15 years	2	13,313,830
More than 15 years to 20 years	3	11,942,030
More than 20 years	36	192,542,323
	46	₱234,154,613

The average duration of the defined benefit obligation is 22 years and 21 years as of December 31, 2023 and 2022, respectively.

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 Company. Accrued sick leave, presented under "Accounts payable and accrued expenses - noncurrent portion" account, amounted to ₱8.42 million and ₱7.31 million as of December 31, 2023 and 2022, respectively (see Note 11).

20. **Income Taxes**

a. Provision for (benefits from) income tax consists of:

	2023	2022	2021
Current	**₱44,050,323**	₱109,745,333	₱46,744,612
Deferred	**(9,584,834)**	14,602,231	729,351
	34,465,489	124,347,564	47,473,963
Final tax on interest income	**6,764,673**	3,038,643	842,115
	₱41,230,162	₱127,386,207	₱48,316,078

b. The components of net deferred income tax assets (liabilities) as of December 31 are as follows:

	2023	2022
Deferred income taxes recognized in profit or loss:		
Deferred income tax assets on:		
Accrued expenses	**₱4,627,735**	₱5,885,810
Unamortized past service cost	**714,219**	681,935
Unearned revenue	**111,473**	98,375
	5,453,427	6,666,120
Deferred income tax liabilities on:		
Difference between tax basis and book basis of accounting for real estate transactions	**(8,596,757)**	(20,776,406)
Deemed cost adjustment in real estate properties (Notes 9 and 13)	**(4,223,349)**	(4,223,349)
Accumulated excess contributions over retirement benefits cost	**(1,617,684)**	(1,383,966)
Cost to obtain contract (Note 5)	**(1,435,230)**	–
Capitalized borrowing costs	**(708,672)**	(995,498)
	(16,581,692)	(27,379,219)
	(11,128,265)	(20,713,099)
Deferred income tax asset recognized in other comprehensive income - actuarial loss on defined benefit plan	**2,505,641**	1,075,818
Net deferred income tax liabilities	**(₱8,622,624)**	(₱19,637,281)

c. The reconciliation of income tax computed at statutory tax rate to the provision for income tax follows:

	2023	2022	2021
Income tax at statutory tax rate	**₱49,662,812**	₱134,909,908	₱55,687,497
Adjustments to income tax resulting from:			
Interest income subjected to final tax	**(8,455,841)**	(3,798,304)	(1,052,643)
Tax-exempt interest income	**(7,282,385)**	(6,346,985)	(5,259,781)
Final tax on interest income	**6,764,673**	3,038,643	842,115
Nondeductible expense	**542,362**	–	751,605
Nontaxable dividend income	**(1,459)**	(2,845)	(2,833)
Nontaxable income	**–**	(414,210)	–
Effect of CREATE Law	**–**	–	(2,649,882)
Provision for income tax	**₱41,230,162**	₱127,386,207	₱48,316,078

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 business 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 three (3) years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

21. 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 Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company 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 Company 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 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 Company's total assets.

The Company, in the normal course of business, has transactions and account balances with related parties consisting mainly of the following:

			Outstanding Balances				
	Amount of transactions		Receivable (Note 6)		Payable (Note 11)		
Nature of Transaction	**2023**	2022	**2023**	2022	**2023**	2022	Terms and conditions
Ultimate Parent Company (CI)							
Sharing of expenses charged to the Company (b)	**(₱3,336,497)**	₱4,813,502	**₱–**	₱–	**₱3,408,926**	₱72,429	30-day, unsecured, non-interest bearing to be settled in cash;
Parent Company (CDC)							
Sharing of expenses charged by (to) the Company (b)	**(18,574,380)**	(9,303,458)	**–**	828,316	**17,746,064**	–	30-day, unsecured, non-interest bearing to be settled in cash;
Affiliate (CPI)							
Sharing of expenses charged to the Company (b)	**474,107**	19,585	**493,809**	19,702	**–**	–	30-day, unsecured, non-interest bearing to be settled in cash
Affiliate (CLHI)							
Interest income from guaranty deposits (d)	**1,213,886**	1,754,597	**1,603,797**	389,911	**–**	–	Settled in cash

(Forward)

	Amount of transactions		Outstanding Balances Receivable (Note 6)		Payable (Note 11)		
Nature of Transaction	**2023**	2022	**2023**	2022	**2023**	2022	Terms and conditions
Retirement plan							
Contributions to the plan (c)	**₱2,099,670**	₱1,858,854	**₱–**	₱–	**₱–**	₱–	Settled in cash
Key management personnel							
Salaries and other compensation (d)	**–**	–	**–**	–	**–**	–	Settled in cash
BOD							
Directors' fees (e)	**21,126,383**	6,628,495	**–**	–	**10,093,030**	16,236,714	Settled in cash

a. In 2016, the Company sold condominium units of an on-going real estate project to CPI with a contract price amounting to ₱19.42 million (realized as revenue based on POC). This project was completed last May 2022. In 2022, these units were turned over to CPI. The retention payable for this sale transaction amounted to nil as of December 31, 2023 and 2022 (see Note 6).

b. The Company has an existing agreement with CI, CDC 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 statements of income. The income recognized as a result of the mark-up charged is recorded as "Other income - net" in the statements of income These are unsecured, unguaranteed, non-interest bearing, and due within 30-60 days.

c. The Company, 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 Group who is responsible for the investment strategy of the plan. The Company's share in the Group's fair value of plan assets amounted to ₱15.07 million and ₱16.50 million as of December 31, 2023 and 2022, respectively. The Company's share in the carrying value of plan assets is equivalent to its share in the fair value.

   The major categories of plan assets are cash and cash equivalents, investments in equity securities, loans and receivables and investment properties (see Note 19). Investments in equity securities of plan assets include investment in shares of CDC. The third-party trustee bank exercises the voting rights over the shares. The fair value of the investment in CDC amounted to ₱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. Loans and receivables of plan assets pertain to accrued interest receivable 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 CDC 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 ₱2.10 million and ₱1.86 million in 2023 and 2022, respectively (see Note 19).

d. In 2022, the Company through its affiliate – Credit and Land Holdings, Inc. (CLHI), issued a cash bond amounting to ₱62.99 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" (see Note 10). The said amount was placed by CLHI to a financial institution with a maturity of three (3) years. Interest income earned amounted to ₱4.05 million, ₱1.75 million and nil in in 2023, 2022 and 2021, respectively (see Note 16). Accrued interest amounting to ₱3.72 million and ₱0.39 million as of 2023 and 2022, respectively, was recorded under "Other receivables – accrued interest) account in the statements of financial position (see Note 6).

e. Compensation of key management personnel are as follows:

	2023	2022	2021
Salaries	**₱4,637,257**	₱3,870,549	₱3,658,448
Bonuses	**1,206,288**	1,001,599	950,384
Other benefits	**7,913,842**	4,143,261	3,512,148
	₱13,757,387	₱9,015,409	₱8,120,980

Other benefits consist of incentives, retirement benefits and performance bonuses.

The Company has no standard arrangement with regards to remuneration of its directors. In 2023, 2022, and 2021, the BOD received a total of ₱21.13 million, ₱6.63 million and ₱2.79 million, respectively. Moreover, the Company has no standard arrangement with regards to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Company does not have any arrangements for stock warrants or options offered to its employees.

22. Financial Instruments and Fair Value Measurement

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents and short-term investments. The main purpose of these financial instruments is to finance the Company's operations. The Company's other financial instruments consist of financial assets at FVOCI, which are held for investing purposes. The Company has various other financial instruments such as installment contracts receivable, contract assets, other receivables, accounts payable and accrued expenses and contract payable which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized below.

Credit risk

Credit risk arises when the Company will incur a loss because its customers, clients, or counterparties fail to discharge their obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers 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 Company's exposure to credit loss is not significant. The risk is further mitigated because the Company holds the title to the real estate properties with outstanding installment contracts receivable balance and the Company can repossess such real estate properties upon default of the buyer in paying the outstanding balance. The Company's 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 Company. The tables below show the Company's exposure to credit risk for the components of the 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 the maximum exposure 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/credit enhancements**	**Net exposure**	**Financial effect of collaterals/credit enhancements**
Financial assets at amortized cost				
Cash and cash equivalents*	**₱177,720,923**	**₱–**	**₱177,720,923**	**₱–**
Short-term investments	**114,000,000**	**–**	**114,000,000**	**–**
Installment contracts receivable	**332,445**	**40,064,371**	**–**	**332,445**
Guaranty deposit	**62,999,438**	**–**	**62,999,438**	**–**
Refundable deposits	**4,533,432**	**–**	**4,533,432**	**–**
Other receivables:				
Accrued interest	**3,715,668**	**–**	**3,715,668**	**–**
Advances to customers	**3,627,818**	**–**	**3,627,818**	**–**
Advances to condominium corporations	**2,739,266**	**–**	**2,739,266**	**–**
Due from related parties	**493,809**	**–**	**493,809**	**–**
Rent receivable	**107,857**	**–**	**107,857**	**–**
Others	**260,113**	**–**	**260,113**	**–**
Contract assets	**552,158,568**	**1,197,854,229**	**–**	**552,158,568**
Total credit risk exposure	**₱922,689,337**	**₱1,237,918,600**	**₱370,198,324**	**₱552,491,013**

**Excluding cash on hand amounting to ₱16,000.*

December 31, 2022:

	Gross maximum exposure	Fair value of collaterals/credit enhancements	Net exposure	Financial effect of collaterals/credit enhancements
Financial assets at amortized cost				
Cash and cash equivalents*	₱103,033,354	₱–	₱103,033,354	₱–
Short-term investments	399,500,000	–	399,500,000	–
Installment contracts receivable	4,620,625	59,679,515	–	4,620,625
Guaranty deposit	62,999,438	–	62,999,438	–
Refundable deposits	1,570,215	–	1,570,215	–
Other receivables:				
Advances to customers	13,324,992	–	13,324,992	–
Accrued interest	3,317,357	–	3,317,357	–
Advances to condominium corporations	3,315,361	–	3,315,361	–
Due from related parties	848,018	–	848,018	–
Rent receivable	133,347	–	133,347	–
Others	146,402	–	146,402	–
Contract assets	768,224,984	1,275,875,798	–	768,224,984
Total credit risk exposure	₱1,361,034,093	₱1,335,555,313	₱588,188,484	₱772,845,609

**Excluding cash on hand amounting to ₱16,500.*

The Company 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 Company used historical default rates for the last five years for the installment sales from its customers and last two years for other receivables. The Company applied the possible effects of macroeconomic factors to the historical loss rate. For loss given default, the Company determined 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 Company's installment contract receivables, contract assets and other receivables from its customer.

The Company considers its cash and cash equivalent and short-term investments as high grade since these are placed in financial institution of high credit standing. Accordingly, ECL relating to cash and cash equivalent and short-term investment rounds to nil.

The Company considers 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 on which expected credit loss rate was applied:

December 31, 2023:

			Days past due					
	Contract assets	**Current**	**More than one year**	**Less than 30 days**	**30-60 days**	**61-90 days**	**Over 90 days**	**Total**
Installment contracts receivable	**₱–**	**₱–**	**₱–**	**₱–**	**₱274,564**	**₱8,680**	**₱49,201**	**₱332,445**
Contract asset	**552,158,568**	–	–	–	–	–	–	**552,158,568**
Guaranty deposit	–	**62,999,438**	–	–	–	–	–	**62,999,438**
Refundable deposits	–	**4,533,432**	–	–	–	–	–	**4,533,432**
Other receivables:								
Accrued interest	–	**3,715,668**	–	–	–	–	–	**3,715,668**
Advances to customers	–	**410,249**	**4,541**	–	**3,213,028**	–	–	**3,627,818**
Advances to condominium corporations	–	**2,739,266**	–	–	–	–	–	**2,739,266**
Due from related parties	–	**493,809**	–	–	–	–	–	**493,809**
Rent receivable	–	**107,857**	–	–	–	–	–	**107,857**
Others	–	**260,113**	–	–	–	–	–	**260,113**
	₱552,158,568	**₱75,259,832**	**₱4,541**	**₱–**	**₱3,487,592**	**₱8,680**	**₱49,201**	**₱630,968,414**

December 31, 2022:

			Days past due					
	Contract asset	Current	More than one year	Less than 30 days	30-60 days	61-90 days	Over 90 days	Total
Installment contracts receivable	₱–	₱–	₱–	₱1,151,617	₱3,407,614	₱16,644	₱44,750	₱4,620,625
Contract asset	768,224,984	–	–	–	–	–	–	768,224,984
Guaranty deposit	–	62,999,438	–	–	–	–	–	62,999,438
Refundable deposits	–	1,570,215	–	–	–	–	–	1,570,215
Other receivables:								
Advances to customers	–	–	6,581	13,176,590	–	–	141,821	13,324,992
Accrued interest	–	3,317,357	–	–	–	–	–	3,317,357
Advances to condominium corporations	–	2,722,117	593,244	–	–	–	–	3,315,361
Due from related parties	–	848,018	–	–	–	–	–	848,018
Rent receivable	–	133,347	–	–	–	–	–	133,347
Others	–	146,402	–	–	–	–	–	146,402
	₱768,224,984	₱71,736,894	₱599,825	₱14,328,207	₱3,407,614	₱16,644	₱186,571	₱858,500,739

The tables below show the credit quality by class of financial assets based on the Company's credit rating system.

December 31, 2023:

	High Grade*	**Medium Grade****	**Total**
Financial assets at amortized cost			
Cash and cash equivalents, excluding cash on hand	**₱177,720,923**	**–**	**₱177,720,923**
Short-term investments	**114,000,000**	**–**	**114,000,000**
Installment contracts receivable	**–**	**332,445**	**332,445**
Contract assets	**–**	**552,158,568**	**552,158,568**
Guaranty deposit	**–**	**62,999,438**	**62,999,438**
Refundable deposits	**–**	**4,533,432**	**4,533,432**
Other receivables:			
Accrued interest	**3,715,668**	**–**	**3,715,668**
Advances to customers	**–**	**3,627,818**	**3,627,818**
Advances to condominium corporations	**–**	**2,739,266**	**2,739,266**
Due from related parties	**–**	**493,809**	**493,809**
Rent receivable	**–**	**107,857**	**107,857**
Others	**–**	**260,113**	**260,113**
	₱295,436,591	**₱627,252,746**	**₱922,689,337**

**High Grade - financial assets with reputable counterparties and which management believes as reasonably assured as 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 at amortized cost			
Cash and cash equivalents, excluding cash on hand	₱103,033,354	₱–	₱103,033,354
Short-term investments	399,500,000	–	399,500,000
Installment contracts receivable	–	4,620,625	4,620,625
Contract assets	–	768,224,984	768,224,984
Guaranty deposit	–	62,999,438	62,999,438
Refundable deposits	–	1,570,215	1,570,215
Other receivables:			
Advances to customers	–	13,324,992	13,324,992
Accrued interest	3,317,357	–	3,317,357
Advances to condominium corporations	–	3,315,361	3,315,361
Due from related parties	–	848,018	848,018
Rent receivable	–	133,347	133,347
Others	–	146,402	146,402
	₱505,850,711	₱855,183,382	₱1,361,034,093

**High Grade - financial assets with reputable counterparties and which management believes as reasonably assured as recoverable.*
***Medium Grade - financial assets for which there is low risk of default of counterparties.*

Liquidity risk

Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price.

The Company'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 Company's 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 Assets						
Cash and cash equivalents	**₱32,268,807**	**₱145,468,116**	**₱–**	**₱–**	**₱–**	**₱177,736,923**
Short-term investments*	–	–	**115,502,325**	–	–	**115,502,325**
Installment contracts receivable	**274,564**	**8,680**	**32,917**	**16,284**	–	**332,445**
Refundable deposits	–	–	–	–	**4,533,432**	**4,533,432**
Other receivables	**8,034,456**	**2,187,153**	**30,953**	–	**691,968**	**10,944,530**
Financial assets at FVOCI	–	–	–	–	**156,275**	**156,275**
Contract assets**	**15,659,921**	**21,941,044**	**30,369,136**	**57,557,465**	**453,508,398**	**579,035,964**
	56,237,748	**169,604,993**	**145,935,331**	**57,573,749**	**458,890,073**	**888,241,894**
Financial Liabilities						
Accounts payable and accrued expenses***	**(93,256,776)**	**(265,650)**	**(10,470,663)**	**(406,024)**	**(34,510,289)**	**(138,909,402)**
Liquidity position (gap)	**(₱37,019,028)**	**₱169,339,343**	**₱135,464,668**	**₱57,167,725**	**₱424,379,784**	**₱749,332,492**

**Includes interest to maturity amounting to ₱1,502,325.*
***Includes interest to maturity amounting to ₱26,877,396.*
**** Excludes customers' deposits amounting to ₱23,054,390 and statutory liabilities amounting to ₱2,924,052.*

December 31, 2022:

	1-30 days	31-90 days	91-180 days	181-365 days	Above 1 year	Total
Financial Assets						
Cash and cash equivalents	₱98,049,854	₱5,000,000	₱–	₱–	₱–	₱103,049,854
Short-term investments*	–	401,946,556	–	–	–	401,946,556
Installment contracts receivable	1,151,616	3,407,614	16,644	44,751	–	4,620,625
Refundable deposits	–	–	–	–	1,570,215	1,570,215
Other receivables	13,176,590	136,404	141,819	7,030,838	599,826	21,085,477
Financial assets at FVOCI	–	–	–	–	528,610	528,610
Contract assets**	14,494,222	24,226,663	33,082,784	61,095,888	672,720,278	805,619,835
	126,872,282	434,717,237	33,241,247	68,171,477	675,418,929	1,338,421,172
Financial Liabilities						
Accounts payable and accrued expenses***	77,132,121	2,357,888	17,467,767	2,128,283	73,787,613	172,873,672
Liquidity position	₱49,740,161	₱432,359,349	₱15,773,480	₱63,207,785	₱601,631,316	₱1,165,547,500

**Includes interest to maturity amounting to ₱2,446,556.*
***Includes interest to maturity amounting to ₱37,394,851.*
**** Excludes customers' deposits amounting to ₱5,694,407 and statutory liabilities amounting to ₱5,004,530.*

Fair Values

The tables below provide fair value hierarchy of the Company's financial assets, financial liabilities and investment properties, other than those with carrying amounts which are reasonable approximations of fair values:

As of December 31, 2023:

	Fair value		
	Level 1	**Level 2**	**Level 3**
Assets measured at fair value:			
Financial assets at FVOCI	**₱156,275**	**₱–**	**₱–**
Asset for which fair values are disclosed:			
Investment properties	**–**	**–**	**2,115,361,899**

As of December 31, 2022:

	Fair value		
	Level 1	Level 2	Level 3
Assets measured at fair value:			
Financial assets at FVOCI	₱528,610	₱–	₱–
Asset for which fair values are disclosed:			
Investment properties	–	–	1,575,423,000

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 investments, installment contracts receivable, contract assets, other receivables, refundable deposits and accounts payable and accrued expenses and contract payable
Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, short-term investments, installment contracts receivable, contract assets, other receivables, refundable deposits, accounts payable and accrued expenses and contract payable approximate their carrying amounts. The fair value of installment contracts receivable and contract assets approximates its carrying amount as it carries interest rates that approximate the interest rate 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
The fair value of certain investment properties is determined using sales comparison approach. 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 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 comparable. The comparison is premised on the factors of location; size and shape of the lot; time element and others.

The fair value of the investment properties as of December 31, 2023 and 2022 approximates and represents the highest and best use of the said properties which is the same with its current use.

23. Capital Management

The primary objective of the Company'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 Company 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 debt coverage basis. Debt consists of short-term debt. Debt coverage includes short-term debt less cash and cash equivalents and short-term investments. The Company considers as capital the total equity excluding the accumulated other comprehensive items.

As of December 31, 2023 and 2022, the Company has the following ratios:

	2023	2022
Contract payable	**₱45,556,450**	₱–
Total equity	**₱2,768,701,551**	₱2,753,106,615
Add (less):		
Net changes in fair values of financial assets at FVOCI	**(154,469)**	(432,775)
Accumulated re-measurement loss on defined benefit plan	**7,516,924**	3,227,453
Capital	**₱2,776,064,006**	₱2,755,901,293
Debt-to-capital ratio	**0.02:1**	0.00:1

	2023	2022
Cash and cash equivalents	**₱177,736,923**	₱103,049,854
Short-term investments	**114,000,000**	399,500,000
Debt coverage	**₱291,736,923**	₱502,549,854

As of December 31, 2023 and 2022, the Company 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 261,841,847 and 248,754,127 shares, respectively, which are approximately 16.59% and 16.57%, respectively of the total number issued and outstanding shares of the Company.

On December 13, 1999, the PSE approved the listing of the Company's common shares totaling 175,000,000 shares. The shares were initially issued at an offer price of ₱1.00 per share.

After listing in 1999, there had been subsequent issuances covering a total of 1,431,785,284 shares.

On April 26, 2021, the Board of Directors approved the Board Resolution regarding the following:

a. Declaration of Five Percent (5%) stock dividend;
b. Increase in authorized capital stock from 1,435,000,000 shares to 1,715,000,000 shares with par value of ₱1.00 per share; and
c. To cause the amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of ₱1.00 per share.

The said resolution was approved and ratified by owners owning at least 2/3 of the outstanding shares during the Annual Stockholders' Meeting held last June 8, 2021.

On July 29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock.

Below is the summary of the Company's track record of registration of securities with the SEC and PSE as at December 31.

	Number of Shares Registered	Number of holders of securities as of yearend
December 31, 2021	1,431,785,284	746
Add/(Deduct) Movement	71,588,918	(1)
December 31, 2022	1,503,374,202	745
Add/(Deduct) Movement	75,168,399	(3)
December 31, 2023	1,578,542,601	742

24. **Basic/Diluted Earnings Per Share**

Basic/diluted earnings per share amounts were computed as follows:

	2023	2022	2021
Net income	**₱157,421,084**	₱412,253,425	₱174,433,909
Weighted average number of outstanding shares	**1,578,542,601**	1,578,542,601*	1,578,542,601*
Basic/diluted earnings per share	**₱0.10**	₱0.27	₱0.12

**After retroactive adjustment of stock dividend distributed in 2023.*

The Company has no potential dilutive common shares in 2023, 2022 and 2021. Thus, the basic and diluted earnings per share are the same as of those dates.

25. **Business Segments**

The Company derives its revenues primarily from the sale and lease of real estate properties. 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 Company does not have any major customers and all sales and leases of real estate properties are made to external customers.

Segment Revenue and Expenses

	2023		
	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Total**
Revenue:			
Sales of real estate	**₱358,659,503**	**₱–**	**₱358,659,503**
Financial income	**135,432,864**	**–**	**135,432,864**
Rent income	**–**	**10,956,005**	**10,956,005**
Other income - net	**7,624,017**	**–**	**7,624,017**
Costs of real estate sales	**(151,542,477)**	**–**	**(151,542,477)**
Operating expenses:			
Personnel	**(85,034,434)**	**–**	**(85,034,434)**
Professional fees	**(22,220,730)**	**–**	**(22,220,730)**
Taxes and licenses	**(18,609,549)**	**(2,354,656)**	**(20,964,205)**
Insurance	**(2,587,565)**	**–**	**(2,587,565)**
Others	**(24,306,776)**	**(6,894,606)**	**(31,201,382)**
Financial expenses	**(470,350)**	**–**	**(470,350)**
Provision for income tax	**(40,803,476)**	**(426,686)**	**(41,230,162)**
Net income	**₱156,141,027**	**₱1,280,057**	**₱157,421,084**

	2022		
	Sales of Real Estate Properties	Lease of Real Estate Properties	Total
Revenue:			
Sales of real estate	₱1,058,422,402	₱–	₱1,058,422,402
Financial income	96,019,848	–	96,019,848
Rent income	–	6,084,965	6,084,965
Other income - net	9,835,397	–	9,835,397
Costs of real estate sales	(465,129,606)	–	(465,129,606)
Operating expenses:			
Personnel	(93,256,104)	–	(93,256,104)
Professional fees	(24,016,042)	–	(24,016,042)
Taxes and licenses	(11,681,332)	(579,664)	(12,260,996)
Insurance	(3,687,380)	–	(3,687,380)
Others	(26,945,042)	(4,706,110)	(31,651,152)
Financial expenses	(721,700)	–	(721,700)
Provision for income tax	(127,186,408)	(199,799)	(127,386,207)
Net income	₱411,654,033	₱599,392	₱412,253,425

	2021		
	Sales of Real Estate Properties	Lease of Real Estate Properties	Total
Revenue:			
Sales of real estate	₱580,533,339	₱–	₱580,533,339
Financial income	66,929,633	–	66,929,633
Rent income	–	4,269,130	4,269,130
Other income - net	8,344,353	–	8,344,353
Costs of real estate sales	(326,304,863)	–	(326,304,863)
Operating expenses:			
Personnel	(74,795,959)	–	(74,795,959)
Taxes and licenses	(11,029,541)	(146,810)	(11,176,351)
Professional fees	(9,843,496)	–	(9,843,496)
Insurance	(2,313,471)	–	(2,313,471)
Others	(11,734,184)	(1,000,944)	(12,735,128)
Financial expenses	(157,200)	–	(157,200)
Provision for income tax	(47,535,734)	(780,344)	(48,316,078)
Net income	₱172,092,877	₱2,341,032	₱174,433,909

Segment Assets and Liabilities

December 31, 2023:

	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Total**
Total assets	**₱3,025,421,504**	**₱16,893,400**	**₱3,042,314,904**
Total liabilities	**(273,521,416)**	**(91,937)**	**(273,613,353)**
Additions to:			
Investment properties	**–**	**289,997,104**	**289,997,104**

December 31, 2022:

	Sales of Real Estate Properties	Lease of Real Estate Properties	Total
Total assets	₱2,788,493,090	₱181,139,332	₱2,969,632,422
Total liabilities	(216,430,271)	(95,536)	(261,525,807)
Additions to real estate properties held for future development	372,742	–	372,742

Revenue are all coming from Philippines based on the locations of the customers. The noncurrent operating assets of the Group are also located in the Philippines. The Group does not have any customer that accounts for more than 10% of its total revenue.

26. Contingencies

The Company is contingently liable for certain lawsuits or claims filed by third parties related to the Company's property rights 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 financial statements. Hence, no provision was recognized as of December 31, 2023 and 2022. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* the Company opted not to disclose additional information related to these lawsuits or claims as it might seriously prejudice its position.

27. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with the requirements set forth in Revenue Regulations No. 15-2010, the information on taxes and license fees paid or accrued during the taxable year.

Net sales/receipts and output VAT declared in the Company's VAT returns filed in 2023:

	Net sales/receipt	Output VAT
Vatable sales	₱472,398,472	₱56,687,817
Exempt	111,206,194	–
	₱583,604,666	₱56,687,817

The Company does not have zero-rated sales/receipts in 2023. The Company's net sales/receipts are based on actual collections received, hence, may not be the same as the amounts accrued/reflected in the "Sales of real estate properties" account in the Company's 2023 statement of income. The Company has exempt sale transactions pursuant to Section 109 of the 1997 Tax Code, as amended.

b. Input VAT

The following table shows the sources of input VAT claimed:

Balance at beginning of year	₱899,208
Purchases of:	
Goods other than for resale	37,889,060
Services lodged under other accounts	21,303,628
Input VAT adjustment	384,615
Allocable to exempt sales	(5,186,503)
Total available input VAT during the year	55,290,008
Less input VAT applied against output VAT and other adjustments	(55,290,008)
Balance at end of year	₱–

c. The Company does not have any importations in 2023.

d. Details of taxes and licenses are shown below:

	Under Costs of Real Estate Sales	Under Operating Expenses	Total
Business permit and registration	₱11,233,486	₱15,946,852	₱27,180,338
Real estate property taxes	162,687	2,606,763	2,769,450
Documentary stamp taxes	4,253,175	755,771	5,008,946
Other taxes and licenses	–	1,654,820	1,654,820
	₱15,649,348	₱20,964,206	₱36,613,554

e. Documentary stamp taxes

In 2023, the Company incurred documentary stamp taxes amounting to ₱0.75 million in relation to the issuance of shares of stock as a result of the stock dividend.

f. Withholding taxes

The following are the categories of the Company's withholding taxes in 2023:

Expanded taxes	₱7,995,559
Compensation and benefits	6,299,206
Final taxes on cash dividends	2,531,141
	₱16,825,906

The outstanding balance of withholding taxes as of December 31, 2023 amounted to ₱1.53 million.

g. Tax contingencies:

i. The Company has no final deficiency tax assessments as of December 31, 2023.
ii. The Company has no tax cases, litigation and/or prosecution in courts or bodies outside the BIR.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
City & Land Developers, Incorporated
3rd Floor Cityland Condominium 10, Tower I
156 H.V. dela Costa Street, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of City & Land Developers, Incorporated (the Company) 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 financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company'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 financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic 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 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

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INDEPENDENT AUDITOR'S REPORT
ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
City & Land Developers, Incorporated
3rd Floor, 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 financial statements of City & Land Developers, Incorporated (the Company) 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 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 Company'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 financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic 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 financial statements. The components of these financial soundness indicators have been traced to the Company's 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

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Partner
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March 20, 2024

CITY & LAND DEVELOPERS, INCORPORATED
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SCHEDULE I

CITY & LAND DEVELOPERS, INCORPORATED

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2023

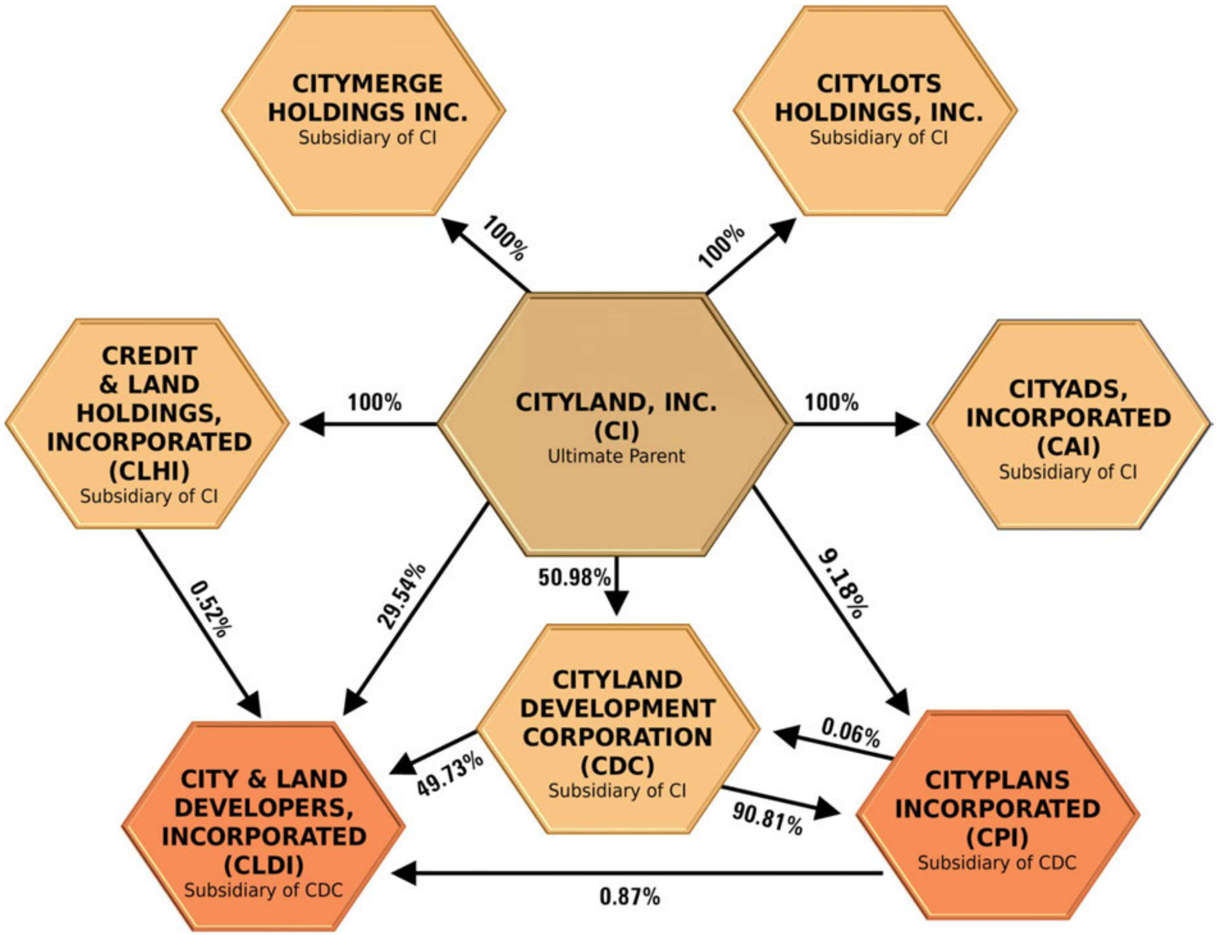
Unappropriated Retained Earnings, December 31, 2022		**₱1,240,700,833**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(212,426,771)	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Others	–	
Sub-total		(212,426,771)
Unappropriated Retained Earnings, as adjusted		**1,028,274,062**
Add: Net income for the current year		**157,421,084**
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	(8,062,689)	
Sub-total		(8,062,689)

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		**149,358,395**
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	1,212,693	
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		1,212,693
Total Retained Earnings available for dividend declaration, December 31, 2023		**₱1,178,845,150**

SCHEDULE II

CITY & LAND DEVELOPERS, INCORPORATED

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



SCHEDULE III

CITY & LAND DEVELOPERS, INCORPORATED
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 Statement 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	₱–	₱32,268,807	₱–	₱836,206
Cash equivalents				
Amalgamated Investment Bancorporation	–	–	–	3,046,578
China Bank Savings	–	25,000,000	–	4,150,154
Citysavings Bank	–	23,000,000	–	5,719,438
Malayan Bank	–	–	–	392,500
Metrobank	–	–	–	5,000
Philippine National Bank	–	–	–	384,661
Philippine Savings Bank	–	–	–	977,833
Philippine Trust Co.	–	–	–	8,593,646
UCPB Savings Bank	–	97,468,116	–	4,163,247
	–	**177,736,923**	**–**	**28,269,263**
SHORT-TERM CASH INVESTMENTS				
Citysavings Bank	–	15,000,000	–	134,183
Philippine National Bank	–	47,000,000	–	850,811
	–	**62,000,000**	–	**984,994**
SHORT-TERM BOND INVESTMENTS				
Amalgamated Investment Bancorporation	–	**52,000,000**	–	**517,331**
	–	**₱291,736,923**	**–**	**₱29,771,588**

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of financial position	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
FINANCIAL ASSETS AT FVOCI				
Ayala Land "B" Preferred	₱16,875	₱1,688	₱1,688	₱–
Ayala Corporation "B" Preferred	227	154,587	154,587	–
	₱17,102	**₱156,275**	**₱156,275**	**₱–**

SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

Name of Designation or Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Not applicable. No directors, officers, employees, and principal stockholders (other than related parties) from whom an aggregate indebtedness of more than P100,000 or one percent of total assets, whichever is less, is owed.							

SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

Name of Designation or Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Not Applicable							

SCHEDULE D. 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 Company has no long-term debt.			

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES

Name of related parties	Balance at beginning of period	Balance at end of period
CI (Ultimate Parent)	₱72,429	₱3,408,926
CDC (Parent)	–	17,746,064
CPI (Affiliate)	–	–
Key management personnel	–	–

SCHEDULE F. 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 Company has no guarantees of securities of other issuers.			

SCHEDULE G. CAPITAL STOCK

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock – P1 par value	1,715,000,000	1,578,542,601	–	1,273,134,833	43,565,921	261,841,847

SCHEDULE IV

CITY & LAND DEVELOPERS, INCORPORATED

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	December 31		
	2023	2022	2021
Current	**11.85**	17.39	4.98
Asset-to-equity	**1.10**	1.08	1.14
Debt-to-equity	**0.02**	–	–
Asset-to-liability	**11.12**	13.71	8.01
Solvency	**0.58**	1.90	0.51
Interest rate coverage	–	–	–
Acid-test	**2.93**	5.47	1.36
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%
Basic/Diluted earnings per share*	**₱0.10**	₱0.27	₱0.12

**After retroactive effect of 5% stock dividend in 2023.*

Manner of Calculation:

Current ratio	=	Total Current Assets / Total Current Liabilities
Asset-to-equity ratio	=	Total Assets / Total equity (net of net changes in fair value of financial assets at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)
Debt-to-equity ratio	=	Notes and Contracts Payable / Total equity (net of net changes in fair value of financial assets at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)
Asset-to-liability ratio	=	Total Assets / Total Liabilities
Solvency ratio	=	Net Income after Tax + Depreciation Expense / Total Liabilities
Interest rate coverage ratio	=	Net Income Before Tax + Depreciation Expense + Interest Expense / Interest Expense
Acid-test ratio	=	Cash and Cash Equivalents + Short-term Investments + Installment Contracts Receivable, current + Contract Assets, current + Other Receivables, current / Total Current Liabilities
Return on equity ratio	=	Net Income after Tax / Stockholder's Equity

$$\text{Return on assets ratio} = \frac{\text{Net Income after Tax}}{\text{Total Assets}}$$

$$\text{Net Profit Margin} = \frac{\text{Net Income after Tax}}{\text{Total Revenue}}$$

$$\text{Basic/Diluted earnings per share} = \frac{\text{Net income after Tax}}{\text{Outstanding shares}}$$

SCHEDULE V

CITY & LAND DEVELOPERS, INCORPORATED

SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2023

In 2023, 2022 and 2021, the Company no longer applied for a new Certificate of Permit to Offer Securities for Sale. All outstanding commercial papers in 2019 have been paid to the investors on or before November 6, 2019.