

# 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

2 0 - I S

Department requiring the report

M S R D

Secondary License Type, If Applicable

N / A

(Definitive Information Statement)

## COMPANY INFORMATION

Company's Email Address

cldi\_rg@cityland.net

Company's Telephone Number

8-893-6060

Mobile Number

0968-545-1452

No. of Stockholders

751  
(as of March 31, 2021)

Annual Meeting (Month / Day)

2<sup>nd</sup> Tuesday of June

Fiscal Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Rudy Go

Email Address

cdc\_rg@cityland.net

Telephone Number/s

8-893-6060

Mobile Number

0968-545-1452

## 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

## SEC FORM 20-IS

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

1. Check the appropriate box:

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of Registrant as specified in its charter **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**

Address of principal office

**1226**

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 8, 2021**  
Time - **4:00 PM**  
Place - **Virtually or via remote communication**

In light of the COVID-19 global pandemic, there will be no physical venue allotted for stockholders to attend the Annual Stockholders' Meeting (ASM). Thus, the ASM will be held virtually or via remote communication. The presiding officer shall call and preside the ASM at Makati City, where the principal office of the Corporation is located.

9. Approximate date on which the Information Statement is to be first sent or given to security holders  
**May 18, 2021.**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):

<u>Title of Each Class</u>	<u>Number of Shares Outstanding</u>
<b>Unclassified Common Shares</b>	<b>1,431,785,284</b>

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

Yes  No 

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

<u>Stock Exchange</u>	<u>Title of Each Class</u>
<b>Philippine Stock Exchange</b>	<b>Unclassified Common Shares</b>

## INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### I. Date, time and place of meeting of security holders

Date	-	June 8, 2021
Time	-	4:00 P.M.
Place	-	Virtually or via remote communication
Principal Office	-	3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Philippines

In light of the COVID-19 global pandemic, there will be no physical venue allotted for stockholders to attend the Annual Stockholders' Meeting (ASM). Thus, the ASM will be held virtually or via remote communication. The presiding officer shall call and preside the ASM at Makati City, where the principal office of the Corporation is located

Approximate date on which the Information Statement is to be first sent or given to security holders **May 18, 2021.**

#### II. Dissenters' Right of Appraisal

Under the Revised Corporation Code, a dissenting stockholder who has voted against a proposed corporate action, shall have the right of appraisal or the right to demand payment of the fair value of his shares only in the following instances:

1. Any amendment to the Articles of Incorporation which 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. Sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate properties and assets;
3. Merger or consolidation; and
4. Investment in another corporation, business or for any purpose other than the primary purpose for which the corporation was organized.

Statutory procedures to be followed by the dissenting security holders in order to perfect such rights:

1. The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair values of his shares; 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 or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.
2. If within a period of sixty (60) days from the date the corporate action was approved 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 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 the award is made; provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forth with transfer his shares to the corporation.

There is no matter 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 2021.
- 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 **1,431,785,284** unclassified common shares issued and outstanding as of **March 31, 2021**. 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 also to this information statement is on **May 10, 2021**.
- 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, 2021:

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	712,030,839	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	422,918,496	29.54%

The Board of Directors directs the voting or disposition of shares held by Cityland Development Corporation:

Name	Position
Dr. Andrew I. Liuson	Director / Chairman of the Board
Mr. Stephen C. Roxas	Director / Chairman of the Executive Committee
Mrs. Grace C. Liuson	Director / Vice Chairman of the Board
Mr. Josef C. Gohoc	Director / President
Mr. Peter S. Dee	Independent Director / Chairman-Audit & Risk Committee
Mr. George Edwin Y. Sycip	Independent Director / Chairman-Corporate Governance Committee
Mrs. Helen C. Roxas	Director
Mr. Benjamin I. Liuson	Director
Mr. Eduardo C. Villanueva	Independent Director

The following directors direct the voting or disposition of the shares held by Cityland, Inc.:

Name	Position
Mr. Stephen C. Roxas	Director / Chairman of the Board
Dr. Andrew I. Liuson	Director / Vice Chairman of the Board
Mrs. Grace C. Liuson	Director / Deputy Vice Chairman of the Board
Mr. Josef C. Gohoc	Director / President
Mr. Peter S. Dee	Independent Director / Chairman-Audit Risk Committee / Chairman-Corporate Governance Committee
Ms. Anastasia Y. Dy	Independent Director
Mr. Benjamin I. Liuson	Director
Mrs. Helen C. Roxas	Director

e. Security Ownership of Management as of March 31, 2021:

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
<b>Directors:</b>					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	Filipino	18,105,979	1.26%	Direct / Indirect
Unclassified common shares	Stephen C. Roxas Director / Chairman of Executive Committee	Filipino	15,557,091	1.09%	Direct / Indirect
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	Filipino	6,737,109	0.47%	Direct
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	3,488,652	0.24%	Direct / Indirect
Unclassified common shares	Peter S. Dee Independent Director / Chairman- Audit and Risk Committee	Filipino	2,110,852	0.15%	Direct
Unclassified common shares	Cesar E.A. Virata Independent Director / Chairman- Corporate Governance Committee	Filipino	98,540	0.00%	Direct
Unclassified common shares	Helen C. Roxas Director	Filipino	143,166	0.01%	Direct
Unclassified common shares	Benjamin I. Liuson Director	Filipino	1,124,050	0.08%	Direct
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Treasurer	Filipino	445,231	0.03%	Direct / Indirect
<b>Executive Officers:</b>					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	Filipino	—	—	—
Unclassified common shares	Stephen C. Roxas Director / Chairman of Executive Committee	Filipino	—	—	—
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	Filipino	—	—	—
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	—	—	—
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Treasurer	Filipino	—	—	—
Unclassified common shares	Rudy Go Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer/ Data Protection Officer/ Investor Relations Officer	Filipino	294,029	0.02%	Direct

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Unclassified common shares	Melita M. Revuelta Vice President/ Alternate Compliance Officer & Alternate Corporate Information Officer	Filipino	275,363	0.02%	Direct / Indirect
Unclassified common shares	Atty. Emma G. Jularbal* Vice President – Legal Affairs/ Corporate Secretary	Filipino	81,478	0.00%	Direct
Unclassified common shares	Melita L. Tan Vice President	Filipino	64,972	0.00%	Direct
Unclassified common shares	Romeo E. Ng Vice President	Filipino	600,879	0.04%	Direct / Indirect
Unclassified common shares	Rosario D. Perez Vice President – Executive Affairs	Filipino	227,533	0.02%	Direct
Unclassified common shares	Winefreda R. Go Vice President – Purchasing Department	Filipino	39,041	0.00%	Direct
Unclassified common shares	Dorothy U. So Assistant Vice President – Head of Internal Audit Department	Filipino	275,454	0.02%	Direct / Indirect
Unclassified common shares	Jocelyn C. De Asis Assistant Corporate Secretary	Filipino	28,208	0.00%	Direct
<b>Security Ownership of All Directors and Officers</b>			<b>49,697,627</b>	<b>3.45%</b>	

\*Retired effective April 5, 2021. Atty. Andre Anton S. Suarez was appointed as the Corporate Secretary effective April 5, 2021.

- 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, 2021:

Nationality	Number of shares	Percentage of ownership
Local-owned shares (Filipino)	1,425,772,678	99.58
Foreign-owned shares (Non-Filipino)	6,012,606	0.42
<b>Total</b>	<b>1,431,785,284</b>	<b>100.00</b>

## 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 2020:

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Stephen C. Roxas	Filipino	Director Chairman of the Executive Committee	06/28/1988 to Present 07/01/1997 to Present	1	79	Husband of Helen C. Roxas, brother of Grace C. Liuson; brother-in-law of Dr. Andrew I. Liuson; and uncle of Josef C. Gohoc
Dr. Andrew I. Liuson	Filipino	Director Vice Chairman of the Board Acting Chairman of the Board Chairman of the Board	06/28/1988 to Present 01/16/2008 to 01/14/2020 01/15/2020 to 08/25/2020 08/26/2020 to Present	1	76	Husband of Grace C. Liuson; brother-in-law of Stephen C. Roxas

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Grace C. Liuson	Filipino	Director Deputy Vice Chairman of the Board Vice Chairman of the Board	06/28/1988 to Present 02/01/2011 to 08/25/2020 08/26/2020 to Present	1	75	Wife of Andrew I. Liuson; sister of Stephen C. Roxas; aunt of Josef C. Gohoc; and sister-in-law of Helen C. Roxas
Josef C. Gohoc	Filipino	Director President	01/04/2011 to Present 02/01/2011 to Present	1	51	Nephew of Stephen C. Roxas, Helen C. Roxas, Grace C. Liuson and Dr. Andrew I. Liuson
Peter S. Dee	Filipino	Independent Director / Chairman-Audit & Risk Committee	11/22/2004 to Present	1	79	--
Cesar E.A. Virata	Filipino	Independent Director Chairman-Corporate Governance Committee	06/09/2009 to Present 04/06/2018 to Present	1	90	--
Helen C. Roxas	Filipino	Director	06/28/1988 to Present	1	71	Wife of Stephen C. Roxas; sister-in-law of Grace C. Liuson and Dr. Andrew I. Liuson
Benjamin I. Liuson	Filipino	Director	06/11/2019 to Present	1	71	Brother of Dr. Liuson; and brother-in-law of Grace C. Liuson
Emma A. Choa	Filipino	Director Executive Vice President Treasurer	08/25/2020 to Present 01/01/2015 to Present 02/01/2011 to Present	1	60	--
Rudy Go	Filipino	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer Data Protection Officer Investor Relations Officer	01/01/2015 to Present 08/29/2017 to Present 06/14/2018 to Present	1	61	--
Melita M. Revuelta	Filipino	Vice President / Alternate Compliance Officer & Alternate Corporate Information Officer	01/16/2008 to Present/ 01/01/2015 to Present	1	62	--
Melita L. Tan	Filipino	Vice President	02/21/2004 to Present	1	60	--
Romeo E. Ng	Filipino	Vice President	01/10/2005 to Present	1	59	--
Rosario D. Perez	Filipino	Vice President – Executive Affairs	02/09/2017 to Present	1	61	--
Winefreda R. Go	Filipino	Vice President – Purchasing Department	05/16/2017 to Present	1	62	--
Atty. Emma G. Jularbal	Filipino	Vice President – Legal Affairs/ Corporate Secretary	07/01/2001 to 04/04/2021 01/01/2013 to 04/04/2021	1	65	--
Dorothy U. So	Filipino	Assistant Vice President– Head of Internal Audit Department	07/2001 to Present	1	62	--

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Jocelyn C. De Asis	Filipino	Assistant Corporate Secretary	07/03/2013 to Present	1	51	--

**Business Experience for the past 5 Years:**

Name	Name of Office	Positions
STEPHEN C. ROXAS	Cityland Development Corporation	Director / Chairman of Executive Committee
	Cityland, Inc.	Director / Chairman of the Board
	Cityplans, Incorporated	Director / President
	MGC New Life Christian Academy	Chairman
	Center for Community Transformation	Board Member
DR. ANDREW I. LIUSON	Cityland Development Corporation	Director / Chairman of the Board
	Cityland, Inc.	Director / Vice Chairman of the Board
	Cityplans, Incorporated	Director/ Chairman of the Board
	Febias College of Bible	Chairman
	International Graduate School of Leadership	Chairman
	Philippine Council of Evangelical Churches	Chairman
GRACE C. LIUSON	Makati Gospel Church	President / Trustee
	Cityland Development Corporation	Director / Vice Chairman of the Board
	Cityland, Inc.	Director / Deputy Vice Chairman of the Board
	Cityplans, Incorporated	Director / Executive Vice President / Treasurer
	Youth Gospel Center of the Philippines	Treasurer / Trustee
JOSEF C. GOHOC	Makati Gospel Church	Treasurer / Trustee
	Cityland Development Corporation	Director / President
	Cityland, Inc.	Director / President
	Asian Business Solutions, Inc.	Director
	Philippine Trading & Investment Corporation	Director
	Atlas Agricultural & Mercantile Development Corp.	Director
PETER S. DEE	Febias College of Bible	Board of Trustee
	International Graduate School of Leadership	Board of Trustee
	Alpolac, Inc	Director
	China Banking Corp	Director
	CBC Properties & Computer Center, Inc	Director / President
	Cityland, Inc.	Independent Director / Chairman-Audit & Risk Committee / Chairman- Corporate Governance Committee
	Cityland Development Corporation	Independent Director / Chairman-Audit & Risk Committee
	Cityplans, Incorporated	Independent Director / Chairman-Compensation Committee / Chairman- Audit Committee / Member- Nomination and Election Committee
	Commonwealth Foods, Inc.	Director
	GDSK Development Corporation	Director
	Hydee Management & Resources Corporation	Director
	Kemwerke, Inc	Director
	Makati Curbs Holdings Corporation	Director
Great Expectation Holdings, Inc	Director / Chairman / President	
The Big D Holdings Corporation	Director / Chairman / President	

Name	Name of Office	Positions
CESAR E.A. VIRATA	ATAR IV Property Holding Company, Inc	Chairman & Director
	Rizal Commercial Banking Corp.	Director & Corporate Vice Chairman
	Malayan Insurance Co., Inc.	Director
	RCBC Realty Corporation	Director
	Luisita Industrial Park	Director
	Business World Publishing Corp.	Vice Chairman / Independent Director
	Belle Corporation	Independent Director
	Malayan Education System, Inc.	Trustee
	Cavitex Holdings, Inc.	Chairman & Director
	YGC Corporate Services, Inc.	Director
	ALTO Pacific Company, Inc.	Chairman & Director
	RCBC Land, Inc.	President & Director
	RCBC Bankard Services Corp.	Chairman & Director
	AY Foundation, Inc	Trustee
	Yuchengco Center	Trustee
	Niyog Property Holdings, Inc.	Director
	Lopez Holdings Corporation	Independent Director
	World Trade Center Management, Inc.	Director
	Tan Yan Kee Foundation, Inc.	Trustee
	IFI Support Foundation, Inc.	Trustee
UP Business Research Foundation, Inc.	Trustee	
Yuchengco Museum	Trustee	
DLSU – Dasmariñas Cultural Heritage	Trustee	
UCM Foundation, Inc.	Chairman	
Cajel Realty Corporation	Director	
HELEN C. ROXAS	Cityland Development Corporation	Director
	Cityland, Inc.	Director
	Cityplans, Incorporated	Director
	Good Tidings Foundation, Inc.	Treasurer
	MGC New Life Christian Academy	Board Member
BENJAMIN I. LIUSON	Cityland Development Corporation	Director
	Cityland, Inc.	Director
	The Generics Pharmacy, Inc.	Vice Chairman
	TGP Pharma Inc.	Vice Chairman
	CL Realty Development Inc.	President
	Romans 828 Land Inc.	President
	Silverwind Allov Castings Inc.	Director
	Drugmakers Lab Inc.	Director
	Febias College of Bible	Trustee
	Center for Community Transformation Inc.	Trustee
	Gospel Operation Phil Inc.	Trustee
	Bless Foundation Inc.	Trustee
	Global Filipino Movement, Inc.	Trustee
	Makati Gospel Church	Trustee
Jedidiah Inc.	President	
Keziah Inc.	President	
EMMA A. CHOA	Cityland Development Corporation	Director ( <i>resigned effective March 10, 2021</i> )
		Executive Vice President / Treasurer
	Cityland, Inc.	Executive Vice President / Treasurer
	Worldnet Information and Services, Inc.	Treasurer
RUDY GO	Cityland Development Corporation	Senior Vice President / Chief Financial Officer / Compliance

Name	Name of Office	Positions
		Officer / Corporate Information Officer / Data Protection Officer / Investor Relations Officer
	Cityland, Inc.	Senior Vice President / Chief Financial Officer / Compliance Officer / Corporate Information Officer & Data Protection Officer
	Cityplans, Incorporated	Senior Vice President / Compliance Officer / Data Protection Officer
MELITA M. REVUELTA	Cityland Development Corporation	Vice President / Alternate Compliance Officer & Alternate Corporate Information Officer
	Cityland, Inc.	Vice President & Asst. Corporate Secretary / Alternate Compliance Officer & Alternate Corporate Information Officer
	Cityplans, Incorporated	Vice President /Alternate Compliance Officer
	Worldnet Information & Services Inc.	President
MELITA L. TAN	Cityland Development Corporation Cityland, Inc.	Vice President Vice President
ROMEO E. NG	Cityland Development Corporation Cityland, Inc.	Vice President Vice President
ROSARIO D. PEREZ	Cityland Development Corporation Cityland, Inc. Worldnet Information and Services, Inc.	Vice President – Executive Affairs Vice President – Executive Affairs Auditor
WINEFREDA R. GO	Cityland Development Corporation Cityland, Inc.	Vice President Vice President
EMMA G. JULARBAL	Cityland Development Corporation  Cityland, Inc.  Worldnet Information and Services, Inc. Servicore, Inc. Cityland Foundation, Inc. Cityland for Social Progress Foundation, Inc. Christian Executive, Inc.	Vice President – Legal Affairs / Corporate Secretary ( <i>retired effective April 5, 2021</i> ) Vice President – Legal Affairs / Corporate Secretary ( <i>retired effective April 5, 2021</i> ) Director / Vice President Director Trustee / Chairman Trustee / President Trustee / Corporate Secretary
DOROTHY U. SO	Cityland Development Corporation  Cityland, Inc.	Assistant Vice President- Head of Internal Audit Department Assistant Vice President- Head of Internal Audit Department
JOCELYN C. DE ASIS	Cityplans, Incorporated Cityland Development Corporation  Cityland, Inc.	Corporate Secretary Assistant Corporate Secretary ( <i>effective April 5, 2021</i> ) Corporate Secretary ( <i>effective April 5, 2021</i> )

**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 2020, there were 17 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
Dr. Andrew I. Liuson	2 / 2	15/15	17/17
Mr. Stephen C. Roxas	2 / 2	15/15	17/17
Mrs. Grace C. Liuson	2 / 2	15/15	17/17
Mr. Josef C. Gohoc	2 / 2	15/15	17/17
Mr. Peter S. Dee	2 / 2	15/15	17/17
Mr. Cesar E.A. Virata	2 / 2	15/15	17/17
Mrs. Helen C. Roxas	2 / 2	15/15	17/17
Mr. Benjamin I. Liuson	2 / 2	15/15	17/17
Emma A. Choa ( <i>elected August 25, 2020</i> )	1 / 2	4/15	5/17

**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**

- 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 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 since it appears that complainant sued the wrong corporation. SAVHA counsel moved for 15 days to amend the complaint. CLDI counsel was also granted 15 days to comment on the motion to be filed. Then matter is submitted for resolution of the Court. No dates were set for hearing.

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.**

Civil Case CA G.R. No. CV-112245

Court of Appeals

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, Paranaque City, which will be part of the NAIA Expressway Project Phase II.

CLDI disputed the valuation made by the DPWH on the properties. The Court issued a Decision in favour of CLDI. The DPWH thru the Office 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 Consideration, 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. We are now awaiting for the finality of the Amended Decision if the OSG will not elevate its appeal to the Supreme Court.

• **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.

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:

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

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 judgment 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:

<u>Independent Directors</u>	<u>Nominating Stockholder</u>
Cesar E.A. Virata	Romeo E. Ng
Peter S. Dee	Marianne M. Martin

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)  
 Mr. Stephen C. Roxas  
 Dr. Andrew I. Liuson

Based on *SEC MC No. 19 s. 2016 – Code of Corporate Governance for Publicly-Listed Companies dated November 22, 2016*, the Securities and Exchange Commission has recommended that an independent director should serve for a maximum cumulative term of nine years only. 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 2009. 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 President and Chief Executive Officer for almost 30 years in one of the largest banks in the Philippines. He is also a Director of the said bank and other publicly-listed companies in the country. His exposure and mastery to risk and financial management delivers insight and significant 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, given the situation brought by the COVID-19 pandemic, 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 2021 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 2020 Audited Financial Statements attached to the SEC Form 17A or the Annual Report.

#### **i. Members of the Audit and Risk Committee**

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

Mrs. Grace C. 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	2021 (estimate)
<b>Josef C. Gohoc</b>	<b>President</b>	<b>X</b>
<b>Winefreda R. Go</b>	<b>VP – Purchasing Department</b>	<b>X</b>
<b>Marlon V. Olpindo</b>	<b>AVP- Design &amp; Development Department</b>	<b>X</b>
<b>Alrolnik M. Fernando</b>	<b>AVP - Admin. Department</b>	<b>X</b>
<b>Jocelyn F. Kwong</b>	<b>Senior Manager</b>	<b>X</b>
Salaries		₱5,096,196
Bonus		1,299,549
Others		155,600
<b>Total (Top 5)</b>		<b>₱6,551,345</b>
Salaries		₱6,995,490
Bonus		1,809,222
Others		288,000
<b>Total Other Officers &amp; Directors as a group unnamed</b>		<b>₱9,092,712</b>
<b>Grand Total</b>		<b>₱15,664,057</b>

NAME	POSITION	2020 (actual)
Josef C. Gohoc	President	X
Winefreda R. Go	VP - Purchasing Department	X
Marlon V. Olpindo	AVP- Design & Development Department	X
Alrolnik M. Fernando	AVP - Admin. Department	X
Jocelyn F. Kwong	Senior Manager	X
Salaries		₱4,858,531
Bonus		866,366
Others		1,755,907
<b>Total (Top 5)</b>		<b>₱7,480,804</b>
Salaries		₱6,161,572
Bonus		1,206,148
Others		1,876,597
<b>Total Other Officers &amp; Directors as a group unnamed</b>		<b>₱9,244,317</b>
<b>Grand Total</b>		<b>₱16,725,121</b>

NAME	POSITION	2019 (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
Ireneo F. Javalera	Senior Manager	X
Salaries		₱4,507,197
Bonus		1,143,782
Others		3,448,876
<b>Total (Top 5)</b>		<b>₱9,099,855</b>
Salaries		₱7,148,524
Bonus		1,881,045
Others		2,357,794
<b>Total Other Officers &amp; Directors as a group unnamed</b>		<b>₱11,387,363</b>
<b>Grand Total</b>		<b>₱20,487,218</b>

The Company has no standard arrangements with regard to remuneration of its directors. In 2020, 2019 and 2018, the BOD received a total of ₱5.33 million, ₱8.41 million and ₱5.40 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

- SyCip Gorres Velayo & Co. (SGV & Co.) is the Company's external auditor for the calendar year 2020. The same accounting firm is being recommended for re-appointment at the scheduled Annual Stockholders' Meeting.
- Representatives of SGV & Co. are expected to be present at the annual stockholders' meeting and will respond to questions from the stockholders relating to the audited financial statements.
- Pursuant to 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.

#### C. ISSUANCE AND EXCHANGE OF SECURITIES

##### VIII. Authorization or Issuance of Securities Other than for Exchange

At least two-thirds (2/3) of the outstanding capital stock is required for the following:

- Declaration of 5% stock dividend;
- Increase in authorized capital stock from 1,435,000,000 shares to 1,715,000,000 shares with par value of Php1.00 per share; and

- c. Amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of Php1.00 per share.

The number of unclassified common shares that will be issued as a result of the stock dividend based on the issued and outstanding shares of 1,431,785,284 as of March 31, 2021 is approximately 71,589,265 shares with par value of Php1.00 per share.

### OTHER MATTERS

#### **IX. Action with Respect to Reports**

The Minutes of the Annual Stockholders' Meeting held last August 25, 2020 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 2020 stockholders' meeting:

<b>Agenda Items:</b>	<b>Approving</b>	<b>Dissenting</b>	<b>Abstaining</b>
Approval of Minutes of Previous Meeting	1,196,811,318 votes	--	--
Approval of President's Report	1,196,811,318 votes	--	--
Election of Directors (including Independent Directors): a. Mr. Stephen C. Roxas b. Dr. Andrew I. Liuson c. Mrs. Grace C. Liuson d. Mr. Josef C. Gohoc e. Mr. Cesar E.A. Virata f. Mr. Peter S. Dee g. Mr. Benjamin I. Liuson h. Mrs. Helen C. Roxas i. Ms. Emma A. Choa	1,196,811,318 votes or 83.59% of the outstanding capital stock	--	--
Appointment of External Auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	1,196,811,318 votes or 83.59% of the outstanding capital stock	--	--
Confirmation of all acts of the Board of Directors for the period covering January 1, 2019 to December 31, 2019 adopted in the ordinary course of business.	1,196,811,318 votes or 83.59% 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](http://www.cityland.net).

#### **X. Other Proposed Actions**

1. Confirmation of all acts of the Board of Directors for the period covering January 1, 2020 to December 31, 2020 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. Approval of the Board Resolution dated April 26, 2021 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 Php 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 Php 1.00 per share.

3. Appointment of external auditor

The Audit and Risk Committee, in its meeting held on April 5, 2021, recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditor for the calendar year 2021.

**XI. 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
- c. Acts of the management and of the Board of Directors relative to the Annual Report and related financial statements.

At least two-thirds (2/3) of the outstanding capital stock is required for the following:

- a. Declaration of 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 Php 1.00 per share; and
  - c. Amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of Php 1.00 per share.
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. In light of the COVID-19 global pandemic, the Board of Directors has decided to conduct a virtual ASM via Zoom or its equivalent. 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 through proxy shall first submit via email to [info@professionalstocktransfer.com](mailto:info@professionalstocktransfer.com) the scanned copy of the letter of intent to attend and participate via proxy by remote communication. Once validated, the registered stockholder will receive via email the proxy form.

Validation of proxies shall be until 4:00 pm of June 1, 2021. 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.
5. Other matters which any stockholder would like to present in the ASM shall be sent via email to [landinfo@cityland.net](mailto:landinfo@cityland.net) on or before June 1, 2021 at 4:00PM. The Company's responses to the questions shall be discussed during the ASM.



**CITY & LAND DEVELOPERS, INCORPORATED**  
**THE PRESIDENT'S REPORT**

The COVID-19 pandemic has disrupted the economic growth of the Philippines for the Year 2020. According to one of the economic reports of National Economic and Development Authority (NEDA), the Gross Domestic Product (GDP) declined drastically due to the quarantine restrictions implemented during the second quarter of 2020 which resulted for the GDP to contract by 16.9%. However, the economy gradually recovered as the Government eases the restrictions on the third quarter which led to a decline in the GDP by 11.4% or an increase of 5.5% from the previous period. With the several economic restrictions and disruptions over the past quarters, the overall GDP for the year 2020 fell by 9.5%.

Due to several community quarantines implemented in 2020, consumers shifted to e-commerce activities giving rise to the e-commerce and logistic sectors. As it is timely necessary for the community to have the services of these sectors, the demand for warehouses will also likely to be in a healthy demand in the market which will give real estate sector the opportunity to increase its income through leasing or sale of its real estate properties.

Aside from e-commerce and logistics, the Business Process Outsourcing (BPO) sector remained strong during the pandemic which is also expected to grow resulting to an increase in the demand of BPO office spaces. Residential condominiums, on the other hand, faced difficulties during the year as the demand of such decreased.

For the year 2021, it is projected that there will be a strong recovery in the economy should there be a relaxation in the quarantine measures as a result of decline in the number of COVID-19 cases. With this, it will allow several business sectors to resume their operations and recover gradually. Further, with the mass vaccination efforts within the country, it is highly probable that business activities will increase causing the Philippine economy to bounce back.

Although the scale and duration of the impact of the pandemic remain uncertain as at the report date, the Cityland Group of Companies is optimistic that the real estate sector will eventually show a healthy position in the market in the succeeding periods.

## **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 749 various stockholders as of March 31, 2021. 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 thirty (30) 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

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).

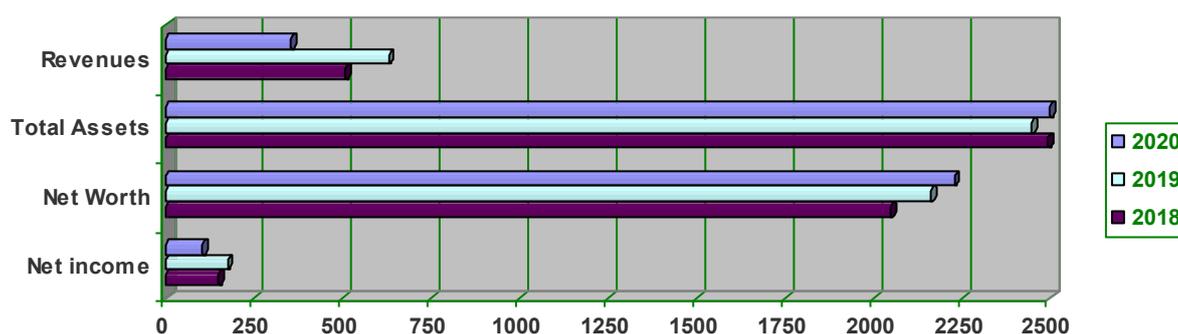
On October 20, 2016, the Company launched One Taft Residences, a 40-storey mixed residential, office and commercial condominium located at 1939 Taft Avenue, Malate, Manila. This project is currently under construction and expected to be completed by September 2022.

It is also currently selling the remaining units of Pacific Regency with percentage sold of 99.89% as of December 31, 2020.

Internal sources of liquidity come from sales of condominium units and real estate properties, collection of installment contracts receivables and contract assets, maturing short-term investments while external sources come from commercial papers. Starting 2019, the Company opted not to renew its registration of short-term commercial papers with SEC. All outstanding notes payable were settled on or before November 6, 2019.

## FINANCIAL HIGHLIGHTS

	<b>In Millions of Pesos</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>	354.47	629.43	508.81
<b>Total Assets</b>	2,504.13	2,447.17	2,494.40
<b>Net Worth</b>	2,228.39	2,162.68	2,048.12
<b>Net Income</b>	104.55	175.71	149.70



### 1. Project Description

#### **Future 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.

#### **Ongoing Project:**

##### *One Taft Residences*

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

Estimated Date of Completion: September 2022.

## **Completed Projects:**

### *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, market competition and asset price bubble.

### **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 having a current and acid-test ratio of 6.98:1 and 1.40:1 as of December 31, 2020 from 6.82:1 and 1.61:1 as of December 31, 2019, respectively.

#### ***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 with the result that the Company's exposure to bad debts is insignificant. 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, equity instruments designated at fair value through other comprehensive income, 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 and 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 equity instruments designated at fair value through other comprehensive income 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.
- d. *Funding Flexibility*: The Company has an objective to maintain a balance between continuity of funding and flexibility through the use of commercial papers.

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

## **COMPANY'S BUSINESS AND OPERATIONS**

### ***Land Banking***

The Company's land banking consists of parcels of land wherein some lots are being leased 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.

The Company currently has two (2) prime lots for future development which are located in Metro Manila. The management is also in continuous study and research on the 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 studies of appraisal reports and conditions of the property within the vicinity.

### ***Property development and construction***

Construction of a condominium project starts from the planning and securing of permits, to the development or construction of the project and to the delivery or turnover of the units to the buyers. The construction of a project involves an average period of three to four years to complete the building. 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. Aside from considering the impact, businesses should also take its role in ensuring its compliance with the rules and regulations imposed by the environmental authorities.

Cityland Group has invested considerable effort in the development of

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

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

- Tree planting activities as required by the Board of Investments (BOI) for the Company's BOI-registered projects;
- Appointment of Pollution Control Officers in all condominium projects; and
- Avoiding hazards and mitigating their potential impacts by reducing vulnerabilities and exposure and enhancing capacities of communities.

***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.

***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 2020, the effects of the COVID-19 pandemic had caused a significant impact on the real estate industry. With the united effort of the government, businesses and the people, the Philippine economy will recover in due time. The Company has adopted business continuity plans and strategies to mitigate the impact.

***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.

***Asset Price Bubble***

Asset price bubble in real estate occurs when there is a seeming increase in the demand for housing units which leads the developers to build more and when there is already a significant gap between the demand and the supply, this will lead to a sudden decline in the value of the properties. The Philippine Residential Real Estate Price Index (RREPI) is a measure of the average change in the prices of various types of housing units, i.e., single detached/attached houses, duplexes, townhouses and condominium units, based on banks' data on loans used to acquire new housing units. It is a chain-linked index, which is computed using the average appraised value per square meter, weighted by the share of floor area of each type of housing unit to the total floor area of all housing units. The RREPI is used as an indicator for assessing the real estate and credit market conditions in the country.

The country's property sector remained strong during the 1<sup>st</sup> half of 2020. This

was evidenced by the RREPI which rose by 12.6% year-on-year in the 1<sup>st</sup> quarter of 2020, as compared to 3.2% and 10.4% growth rate as of 1<sup>st</sup> quarter and 4<sup>th</sup> quarter of 2019, respectively.

The index continued to grow on the 2<sup>nd</sup> quarter of 2020 with 27.1% growth rate. This resulted to be the highest year-on-year growth rate since the start of the series in 1<sup>st</sup> quarter of 2016. According to the banks, there are several reasons to the significant increase in the index. One of these is the higher demand for high-end projects that increased the average price per square meter (sqm).

However, the growth had disrupted when it contracted by 0.4% during the 3<sup>rd</sup> quarter of the same year, the first ever recorded negative year-on-year growth since 2016. The decline was caused by weak consumer demand for houses and lots. The index recovered when it rose by 0.8% in a year-on-year basis during the 4<sup>th</sup> quarter.

According to the Governor of the Bangko Sentral ng Pilipinas (BSP), it is unlikely for the country to have a pandemic-induced asset price bubble as the monetary authorities do not expect any undue surges in asset prices since property prices and for both office and residential segments have come down. Further, market analysts do not see recovery in prices in the coming months as the market sentiment takes time to recover and solidify which lessens the risk of asset bubble. The Governor also ensured the public that the BSP continues to closely monitor market conditions for any signs of imbalances or the potential presence of asset bubbles.

As the demand for warehouses and offices arise during these times, the Group considers this as an opportunity to minimize exposure to asset price bubble by focusing on the in-demand real estate commercial projects with good office location and reasonable price.

The Company manages the above risks 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 information, the Company is able to assess and manage the risks mentioned above.

## **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 (March 31, 2021 vs. December 31, 2020)**

The Company's balance sheet as of March 31, 2021 remained solid with total assets of ₱2.56 billion, higher by 2.26% as compared to the balance as of December 31, 2020 of ₱2.50 billion. The increase in total assets was significantly due to the increase in real estate properties for sale and real estate properties held for future development. The percentage of completion of the Company's on-going project continue to progress as it goes near its estimated completion date.

Excess funds were placed in short-term investments to maintain liquidity and generate additional interest income. The financial position remained stable as total cash and cash equivalents and short-term investments stood at ₱236.63 million and ₱236.81 million, as of March 31, 2021 and December 31, 2020, respectively.

On the liabilities side, total liabilities increased by 10.53% from ₱275.75 million as of December 31, 2020 to ₱304.78 million as of March 31, 2021. This was primarily due to the increase in accrued development costs.

Total equity as of March 31, 2021 stood at ₱2.26 billion from ₱2.23 billion as of December 31, 2020, higher by 1.24%, due to comprehensive income of ₱27.54 million.

As a result of the foregoing, the Company registered current and acid test ratio of 5.94:1 and 1.07:1 as of the first quarter of 2021, as compared to 6.98:1 and 1.40:1 as of December 31, 2020. Asset-to-liability remained stable at 8.40:1 in March 31, 2021 as compared to 9.08:1 in December 31, 2020.

#### **Financial Condition (2020 vs. 2019)**

The Company's financial position remained stable in 2020 with total assets of ₱2.50 billion, 2.33% higher as compared to the 2019 year-end balance of ₱2.45 billion. Majority of the funds were used for operations and to finance the ongoing project, One Taft Residences, resulting to the increase in real estate properties for sale. The decrease in contract assets was due to right to consideration delivered resulting to increase in installment contracts receivable. Cash and cash equivalents decreased to ₱178.31 million from ₱237.66 million due to shift to short-term investments.

On the liabilities side, total liabilities decreased to ₱275.75 million, 3.08% lower than last year's amount of ₱284.50 million. This was substantially due to decrease in Income Tax Payable resulting from lower income for 2020.

Total equity stood at ₱2.23 billion as of December 31, 2020, slightly higher by 3.04% compared with the 2019 year-end balance of ₱2.16 billion. The increase was due to the total comprehensive recognized in 2020 amounting to ₱107.52 million less cash dividends paid of ₱41.39 million.

As a result of the foregoing, the Company strengthened its liquidity position, with current and acid test ratio of 6.98:1 and 1.40:1 as of December 31, 2020, as compared to 6.82:1 and 1.61:1 as of December 31, 2019. Asset-to-liability and debt-to-equity registered at 9.08:1 and 0.00:1 as of December 31, 2020 from December 31, 2019 ratios of 8.60:1 and 0.00:1, respectively.

#### **Financial Condition (2019 vs. 2018)**

The Company maintained a healthy financial position as it ended the 2019 with total assets of ₱2.45 billion slightly lower by 1.89% compared to the 2018 year-end balance. The Company's funds were utilized for operations and to finance the ongoing project, One Taft Residences, resulting to the increase in real estate properties for sale. Investment of funds were shifted to shorter period investments to maintain liquidity necessary for operations resulting to the increase in cash and cash equivalents account. The financial position at the end of 2019 remained stable as cash and cash equivalents and short-term investments stood at ₱237.66 million and ₱10.00 million, respectively.

On the liabilities side, total liabilities decreased by ₱161.78 million or 36.25%. This was substantially due to the full settlement of notes and contracts payable and decrease in contract liabilities.

Total equity stood at ₱2.16 billion, slightly higher by 5.59% from 2018 year-end balance of ₱2.05 billion due to comprehensive income of ₱171.42 million, net of cash dividends of ₱56.89 million.

As a result of the foregoing, the Company strengthened its liquidity position, with current and acid test ratio of 6.82:1 and 1.61:1 as of December 31, 2019, as compared to 4.58:1 and 2.35:1 as of December 31, 2018. Asset-to-liability and debt-to-equity registered at 8.60:1 and 0.00:1 as of December 31, 2019 from December 31, 2018 ratios of 5.59:1 and 0.10:1, respectively.

#### **Financial Condition (2018 vs. 2017)**

The Company's total assets reached ₱2.49 billion, 13.44% higher as compared to the 2017 year-end balance of ₱2.20 billion. The increase in total assets can be attributed to the acquisition of a real estate property resulting to the increase in real estate properties for future development. In addition, due to the adoption of Philippine Financial Reporting Standards (PFRS) 15, *Revenue from Contracts with Customers* in 2018, a substantial portion of receivables from installment sales was classified from installment contracts receivable to contract assets. The net increase of receivables from sales of real estate properties was due to sales

generated from real estate properties. Funds were generated significantly from sales and lease of condominium units, while other financial sources came from the issuance of commercial papers with interest rates ranging from 1.31% to 5.00% in 2018. Majority of the funds were utilized for operations and to finance the construction of the condominium projects, North Residences and One Taft Residences. In June 2018, the Company declared a total of ₱38.18 million cash dividend. The financial position remained stable as cash and cash equivalents and short-term investments stood at ₱84.29 million and ₱536.00 million, respectively. Excess funds were placed in short-term investments at higher interest rates as compared to the previous year resulting to the increase in financial income.

On the liability side, total liabilities increased by ₱177.10 million or 65.79%. This can be attributed to the increase in notes and contracts payable. In 2018, the Company recorded contract liabilities amounting to ₱162.39 million as a result of the adoption of PFRS 15. This was partially offset by the settlement of accounts payable and accrued expenses by ₱37.77 million.

Total equity stood at ₱2.05 billion as of December 31, 2018, higher by 6.13% from ₱1.93 billion as of December 31, 2017 due to comprehensive income of ₱150.73 million net of cash dividends declared and paid by the Group amounting to ₱38.18 million plus ₱5.80 million from adjustments to effect adoption to new accounting standards.

As a result of the foregoing, the Company translated to a current and acid test ratio of 4.58:1 and 2.35:1 as of 2018, as compared to 6.59:1 and 4.39:1 as of December 31, 2017. Asset-to-liability and debt-to-equity registered to 5.59:1 and 0.10:1 from 2017 year-end balance of 8.17:1 and 0.08:1, respectively.

#### **Results of Operation (March 31, 2021 vs. March 31, 2020)**

Sales of real estate properties reached ₱129.43 million as of March 31, 2021 as compared to the previous year's sales of ₱73.09 million. Sales for the first quarter came from sale of condominium units of One Taft Residences and North Residences. The increase in sales amount was attributed to the increase in the percentage of completion since revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion).

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 12.15% of total revenues. Likewise, rental income amounted to ₱1.43 million as of the first quarter of 2021 as compared to ₱1.73 million of the same period last year. Other income - net, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients, gain on sale of shares of stock and other miscellaneous income. Revenue contribution of this account amounted to ₱1.4 million and ₱0.62 million as of March 31, 2021 and 2020, respectively.

On the cost side, cost of real estate sales increased as this moves in tandem with the sales of real estate properties. In addition, provision for income tax decreased due to lower tax rate as an impact of the approval of CREATE Act.

As a result of the foregoing, the Company recorded a net income as of March 31, 2021 of ₱27.14 million as compared to ₱24.04 million as of March 31, 2020. This translated into an annualized earnings per share and return on equity of ₱0.08 and 4.81%, respectively as compared to the same period last year of ₱0.07 and 4.40%, respectively.

#### **Results of Operation (2020 vs. 2019)**

Revenue from real estate properties reached ₱253.55 million, lower by 50.63% over the same period last year of ₱513.55 million. The decline was due to lower sales which can be attributed to the financial crisis brought about by COVID-19 and lower percentage of completion of One Taft Residences. The project resulted to a 73.27% completion as of December 31, 2020 from 60.06% as of December 31, 2019. The increase in percentage of completion decreased from 34.47% to 13.21% due to quarantine measures being implemented by the government to contain the spread of the COVID-19 virus.

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 21.88% of total revenues. Likewise, rent income declined by 19.65% in 2020 as compared to the same period last year due to the rent concessions provided to the tenant. Net other income, on the other hand, pertains to 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 ₱18.04 million and ₱9.79 million as of December 31, 2020 and December 31, 2019, respectively.

On the cost side, cost of real estate sales and operating expenses decreased due to lower sales, while financial expenses decreased also due to lower service and discount charge.

As a result of the foregoing, the Company recorded a net income of ₱104.55 million, lower by 40.50% as compared to last year's generated total revenue of ₱354.47 million. Earnings per share and return on equity resulted to ₱0.07 and 4.69%, respectively in 2020 as compared to the previous year of ₱0.12 and 8.12%, respectively.

#### **Results of Operation (2019 vs. 2018)**

Total sales of real estate properties reached ₱513.55 million, higher by 23.89% over the same period last year of ₱414.51 million. The increase in sales was due to higher sales and percentage of completion of One Taft Residences. The project was in full blast construction resulting to a 60.06% completion in December 2019 from 25.59% in December 2018.

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 15.80% of total revenues. Likewise, rent income grew by 76.23% in 2019 as compared to the same period last year. Other income, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients, and other miscellaneous income. Revenue contribution of this account amounted to ₱9.79 million and ₱6.49 million as of December 31, 2019 and December 31, 2018, respectively.

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

As a result of the foregoing, the Company recorded a net income of ₱175.71 million, higher by 17.37% generated from total revenue of ₱629.43 million. Earnings per share and return on equity resulted to ₱0.12 and 8.12%, respectively in 2019 as compared to the previous year of ₱0.10 and 7.31%, respectively.

#### **Results of Operation (2018 vs. 2017)**

Revenue on sales of real estate properties reached ₱414.51 million as compared to the same period last year of ₱442.48 million. The decrease in sales can be attributed to the sales revenue generated from One Taft Residences. As of December 31, 2018, percentage of completion of this project reached 25.59% and will eventually increase as the construction advances. In addition, sales of Grand Emerald Tower and Manila Residences Bocobo came from the remaining units of last year's inventory. With the completion of North Residences in the first quarter of 2018, the Company is optimistic that this project will generate higher revenues. Majority of the sales in 2018 were generated from North Residences which accounted for 76.85%, while One Taft Residences accounted for 19.00% of total sales. The remaining 4.15% of sales were generated from the sale of Grand Emerald Tower and Manila Residences Bocobo.

Other sources of income are financial income, rent income and other income. Financial income which is substantially composed of interest income from sale of real estate properties and interest from investments in banks increased by 11.01% as compared to the same period last year due to higher interest income from sale of real estate properties and from cash investments. In addition, higher interest rates increased interest income from cash investments while additional lease contracts entered and higher rental rates increased rent income by 36.99%.

On the cost side, cost of real estate sales and operating expenses decreased since these accounts move in tandem with sales. Provision for income tax increased due to higher taxable income since the income tax holiday entitlement of North Residences expired last August 2017 rendering to higher taxable income.

Altogether, the Company ended 2018 with a net income of ₱149.70 million, 14.23% higher than the previous year's level of ₱131.05 million. This translated to an improved earnings per share and return on equity of ₱0.10 and 7.31%, and ₱0.10 and 6.79% in 2018 and 2017, respectively.

**Key Performance Indicators**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current ratio	<b>6.98</b>	6.82	4.58
Asset-to-equity ratio	<b>1.12</b>	1.13	1.22
Debt-to-equity ratio	—	—	0.10
Asset-to-liability	<b>9.08</b>	8.60	5.59
Solvency ratio	<b>0.38</b>	0.62	0.34
Interest rate coverage ratio	—	—	—
Acid - test ratio	<b>1.40</b>	1.61	2.35
Return on equity	<b>4.69%</b>	8.12%	7.31%
Return on asset	<b>4.18%</b>	7.18%	6.00%
Net profit margin	<b>29.50%</b>	27.92%	29.42%
Earnings per share	<b>₱0.07</b>	₱0.12	₱0.10*

\*After retroactive effect of 5% stock dividends in 2019.

*Manner of Calculation:*

Current ratio	=	Total current assets / Total current liabilities
Asset-to-equity ratio	=	$\frac{\text{Total assets}}{\text{Total equity (net of net changes in fair value of financial assets at fair value through other comprehensive income and accumulated re-measurement on defined benefit plan)}}$
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	=	$\frac{\text{Net income after tax} + \text{Depreciation expense}}{\text{Total liabilities}}$
Interest rate coverage ratio	=	$\frac{\text{Net income before tax} + \text{Depreciation expense} + \text{Interest expense}}{\text{Interest expense}}$
Acid-test ratio	=	$\frac{\text{Cash and cash equivalents} + \text{Short-term investments} + \text{Installment contracts receivable, current} + \text{Contract assets, current} + \text{Other receivables, current}}{\text{Total current liabilities}}$
Return on equity ratio	=	$\frac{\text{Net income after tax}}{\text{Total Equity}}$
Return on assets ratio	=	$\frac{\text{Net income after tax}}{\text{Total Assets}}$
Net profit margin	=	$\frac{\text{Net income after tax}}{\text{Total Revenue}}$
Basic/Diluted Earnings per share	=	$\frac{\text{Net income after tax}}{\text{Outstanding number of shares}}$

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

The COVID-19 pandemic has caused business disruptions due to the community quarantines implemented over Luzon. The Company's liquidity was affected due to the decline in sales of real estate properties and lower collections as a result of higher number of forfeitures.

**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. External sources come from commercial papers.

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

There are no material commitments for capital expenditure.

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

On March 16, 2020, Philippine President Rodrigo Duterte declared the entire Luzon area under “enhanced community quarantine” restricting movement of the population in response to the growing pandemic of the Coronavirus disease 2019 (COVID-19) in the country. This has been extended in the National Capital Region and in some other affected areas until May 31, 2020.

Starting June 1, 2020, NCR and other parts of the Philippines were declared to be under general community quarantine (GCQ), until June 15, 2020. The GCQ was further extended until June 30, 2020, then again until July 15, 2020. Afterwards, the GCQ was extended until July 30, 2020.

On August 3, 2020, the President of the Philippines reverted Metro Manila, and the provinces of Laguna, Cavite, Rizal and Bulacan to modified enhanced community quarantine from general community quarantine from August 4, 2020 until August 18, 2020. Starting August 19, 2020, Metro Manila, as well as the provinces of Laguna, Cavite, Rizal, and Bulacan, returned to general community quarantine unless earlier lifted or extended.

As of March 31, 2021, Metro Manila and some nearby provinces were placed under the enhanced community quarantine due to the surge in the number of COVID cases. The quarantine measures were implemented in order to manage the spread of the virus.

The COVID-19 pandemic has caused disruptions in the Company’s business activities. Further, the scale and duration of the impact of the pandemic remain uncertain as at the report date. It is not possible to estimate the overall impact of the outbreak’s near-term and longer effects. The outbreak could have a material impact on the Company’s financial results for the rest of 2021 and even periods thereafter. As this global problem evolves, the Company will continually adapt and adjust its business model according to the business environment in the areas where the Company operates, in full cooperation with the national and local government units.

**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 events that will trigger direct or contingent financial obligation that is material to the Company.

**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 (March 31, 2021 vs. December 31, 2020)**

- a. Increase in Cash and Cash Equivalents was due to sales, collection and shift of placements to shorter term investments.
- b. Decrease in Short-term Investments was shift of placements to shorter term investments..
- c. Decrease in Installment Contracts Receivable was due collection of receivables from clients.
- d. Decrease in Contract Assets was due to collection from sales of real estate properties.
- e. 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.
- f. Increase in Real Estate Properties for Sale was due to construction costs incurred as reflected in the increase in the percentage of completion of the Company's on-going project.
- g. Decrease in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decrease in market value of shares of stock.
- h. Increase in Other Receivables was due to higher due from related parties and advances to customers.
- i. Increase in Prepaid Tax was due to the reduction in regular corporate income tax rate as an impact of the CREATE Act which was passed into bill on March 26, 2021. The reduction in the tax rate is effective July 1, 2020.
- j. Increase in Real Estate Properties for Future Development was due to additional development costs incurred as of March 31, 2021.
- k. Decrease in Other Assets was due to utilization of input VAT and prepaid expenses.
- l. Increase in Accounts Payable and Accrued Expenses was substantially due to higher accrued expense on development costs and directors' fee and increase in withholding taxes payable.
- m. Decrease in Contract Liabilities was due to increase in percentage of completion which satisfied the payments made by the clients.
- n. Decrease in Income Tax Payable was due to the reduction of tax rate as an effect of the CREATE Act.
- o. Decrease in Deferred Income Tax Liabilities was due to remeasurement as an effect of the CREATE Act.
- p. Decrease in Unrealized Fair Value of Investments on FVOCI was due to decrease in market value of shares of stock.
- q. Decrease in Accumulated Re-measurement Loss on Defined Benefit Plans - net of deferred income tax effect was due to the remeasurement of the deferred income tax as result of the reduction in tax rate.
- r. Increase in Retained Earnings was due to the comprehensive income recognized as of March 31, 2021.

**Financial Condition (2020 vs. 2019)**

- a. Decrease in Cash and Cash Equivalents was due to payment of liabilities and 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. Increase in Installment Contracts Receivable was due to uncollected past due accounts. Further, the collections of monthly amortizations were also affected due to the impact of COVID-19 pandemic.
- d. Net decrease in Contract Assets was due to right to consideration already delivered resulting to increase in billed accounts reflected in the installment contracts receivable.
- e. Net decrease in Cost to Obtain Contract was due to the recognition of commission expense relative to the increase in percentage of completion of the ongoing project.
- f. Net increase in Other Receivables was due to higher advances to condominium corporations, payment of real estate tax 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 capitalized cost.
- j. Decrease in Deferred Income Tax Assets was due to decrease in realized gain on sale of real estate transactions.
- k. Increase in Other Assets was due to payment of prepaid real estate tax.

- l. Increase in Accounts Payable and Accrued Expenses was substantially due to higher accrued development costs, sick leave, customers' deposit and due to related parties.
- m. Decrease in Income Tax Payable was due to creditable withholding tax charged to income tax payable and decrease in taxable income.
- n. Decrease in Retirement Benefit Liability was due to re-measurement gain recognized during the year.
- o. Increase in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to increase in value of shares of stock.
- p. Increase in Retained Earnings was due to net income recognized during the year net of stock dividends declared and distributed.

**Financial Condition (2019 vs. 2018)**

- a. Increase in Cash and Cash Equivalents was due to sales, collection and shift of placements to shorter term investments.
- b. Decrease in Short-term Investments was substantially due to shift of funds to shorter period investments, payment of construction costs and operating expenses, full settlement of notes and contract payables and payment of cash dividends.
- c. Decrease in Installment Contracts Receivable was due to collection of past due accounts.
- d. Net increase in Contract Assets was due to higher sales and increase in the percentage of completion of an on-going project.
- 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.
- f. Increase in Real Estate Properties for Sale was due to additional development cost incurred for the ongoing project.
- g. Decrease in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to sale of shares of stock and decrease in fair market value of the shares of stock held by the Company.
- h. Net decrease in Other Receivables was substantially due to lower accrual of interest receivable, collection of advances to customers, condominium corporations and from related parties.
- i. Decrease Real Estate Properties for Future Development was due to cost adjustment resulting to settlement of the remaining balance of the contract payable.
- j. Decrease in Deferred Income Tax Assets was due to decrease in realized gain on sale of real estate transactions and unearned revenue.
- k. Decrease in Other Assets was due to utilization of prepaid expenses.
- l. Increase in Accounts Payable and Accrued Expenses was substantially due to higher accrued development costs, sick leave, director's fee, customers' deposit and due to related parties.
- m. Decrease in Notes and Contract Payable was due to full settlement of notes payable and adjustment of contract payable resulting to its full settlement.
- n. Increase in Income Tax Payable was due to the higher taxable income.
- o. Decrease in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to sale of shares of stock and decrease in fair market values.
- p. Increase in Retained Earnings was due to net income recognized as of December 31, 2019, net of cash dividends.

**Financial Condition (2018 vs. 2017)**

- a. Decrease in Cash and Cash Equivalents and Short-term Investments was substantially due to payment of operating and development cost, payment of cash dividends and acquisition of a new property.
- b. Decrease in Installment Contracts Receivables was due to adoption of PFRS 15, Revenue from Contracts with Customers.
- c. Increase in Contract Assets was due to sales of real estate properties and reclassification of Installment Contracts Receivable due to the adoption of PFRS 15.
- d. Decrease in Other Receivables was due to collection of advances from customers and retention from cash sales.
- e. Increase in Real Estate Properties for Sale was primarily due to transfer from real estate properties for future development and additional construction/development costs incurred.
- f. Increase in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to adoption of PFRS 9, Financial Instruments wherein available for sale financial assets were reclassified as financial assets at FVOCI.

- g. Decrease in Available-for-sale-securities was due to reclassification made to Equity Instruments designated at Fair Value through Other Comprehensive Income.
- h. Increase in Real Estate Properties Held for Future Development was primarily due to the newly acquired property.
- i. Decrease in Deferred Income Tax Assets was due to adjustment in contract asset and effect on adoption of new accounting standard.
- j. Increase in Other Assets was due to payment of prepaid real estate tax.
- k. Decrease in Accounts Payable and Accrued Expenses was due to decrease in development costs.
- l. Increase in Contract Liabilities was due to adoption of PFRS 15.
- m. Increase in Notes and Contracts Payable was due to proceeds from issuance of short-term notes payable and contract balance payable on the newly acquired property.
- n. Increase in Income Tax Payable was due higher taxable income.
- o. Decrease in Retirement Benefits Liabilities was due to increase in fair value of plan assets.
- p. Decrease in Unrealized Fair Value Changes on Financial Assets at FVOCI/Net Changes in Fair Values of AFS financial assets was due to decrease in market value of shares of stock.
- q. Increase in Retained Earnings was due to net income recognized during the year net of stock and cash dividends declared and distributed.

#### **Results of Operation (March 31, 2021 vs. March 31, 2020)**

- a. Increase in Sales of Real Estate Properties was due to increase in the percentage of completion of the ongoing project. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion).
- b. Decrease in Financial Income was due to lower interest income earned from cash and cash equivalents and short-term investments.
- c. Decrease in Rent Income was due to the lower income from short-term leases.
- d. Increase in Other Income was due to recognition of the increase in fair market values of repossessed units.
- e. Increase in Cost of Real Estate Sales was due to increase in the percentage of completion as this moves in tandem with the sale of real estate properties.
- f. Decrease in Operating Expenses was due to lower taxes and licenses, repairs and maintenance and outside services.
- g. Decrease in Financial Expenses was due to lower finance charges.
- h. Decrease in Provision for Income Tax was due to the lower tax rate based on the CREATE Act. Further, the provision for income tax as of March 31, 2021 includes the difference of the provision for income tax reflected in the 2020 audited financial statements and the provision for income tax shown in the income tax return.
- i. Increase in Net Income was due to increase in realized gross profit as a result of increase in the percentage of completion and lower provision for income tax as an impact of the implementation of CREATE Act.

#### **Results of Operation (2020 vs. 2019)**

- a. Decrease in Sales of Real Estate Properties was due to lower sales as a result of the COVID-19 pandemic.
- 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.
- d. Increase in Other Income was due to increase in fair market value of repossessed units.
- e. Decrease in Cost of Real Estate Sales was due to lower sales and percentage of completion of One Taft Residences because of the quarantine measures implemented causing the construction to slow down.
- f. Decrease in Operating Expenses was substantially due to lower personnel expenses, professional fees, taxes and licenses, insurance, repairs and maintenance and brokers' commission because of the pandemic.
- g. Decrease in Financial Expenses was due to lower service and discount charges.
- h. Decrease in Provision for Income Tax was due to lower taxable income.
- i. Decrease in Net Income was due to lower revenues from sale of real estate properties, interest and rental income.

**Results of Operation (2019 vs. 2018)**

- a. Increase in Sales of Real Estate Properties was due to higher sales and percentage of completion of One Taft Residences.
- b. Increase in Financial Income was primarily due to higher interest income earned from installment contracts receivable, contract assets and short-term investments.
- c. Increase in Rent Income was due to increase in rental rates and adjustments for the reversal of deposits to rental income for pre-terminated contracts.
- d. Increase in Other Income was due to increase in fair market values of repossessed units and gain on sales of shares of stock.
- 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 sales, personnel expenses, professional fees, taxes and licenses, insurance, repairs and maintenance and brokers' commission.
- g. Increase in Financial Expenses was due to increase in finance charges.
- h. Decrease in Other Expenses was due to lower adjustment of prior years' income of forfeited/cancelled contracts.
- i. Increase in Provision for Income Tax was due to higher taxable income.

**Results of Operation (2018 vs. 2017)**

- a. Decrease in Sales of Real Estate Properties was due to lower sales generated from the sale of the remaining units of Grand Emerald Tower, Manila Residences Bocobo and North Residences.
- b. Increase in Financial Income was due to higher interest income earned from installment contracts receivable and contract assets.
- c. Increase in Rent Income was due to additional lease contracts and higher rental rates.
- d. Increase in Other Income was due to increase in fair market value of repossessed real estate properties for sale and collection of penalty and processing fee.
- e. Decrease in Cost of Real Estate Sales was due to lower sales as this moves in tandem with the sale of real estate properties.
- f. Decrease in Operating Expenses was primarily due substantially due to lower sales, personnel expenses, brokers' commission and advertising and promotions.
- g. Increase in Financial Expenses was due to increase in notes payable balance and higher interest rates.
- h. Increase in Other Expenses was due to forfeiture/cancellation of prior years' sales.
- i. Increase in Provision for Income Tax was due to higher taxable income.
- j. Increase in Net Income was due to higher financial income, rent income and other income.

**9. Information on Independent Auditor**

Sycip Gorres Velayo & Co. is the company's external auditor for the years 2020 and 2019. The engagement partner is Ms. Aileen L. Saringan in 2020 and 2019.

	2020	2019
Audit and audit-related Fees	₱555,000	₱550,000
Tax Fees	–	–
All other fees	–	–
<b>Total</b>	<b>₱555,000</b>	<b>₱550,000</b>

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

The Audit 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 for the approval and release of the Audited Financial Statements.
- c. Recommendation to the Board of Directors the appointment of the external auditor.

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.

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

There are no seasonal aspects that had material effect on the financial condition or results of operations.

### DIVIDENDS AND MARKET PRICE OF SHARES OF STOCK

#### a. Cash Dividends Per Share

2020	₱0.029
2019	₱0.042
2018	₱0.029

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

No stock dividends were declared in 2020. The Company declared 5% stock dividends in 2019 and 2018. All stock dividends declared during the 2019 and 2018 were distributed accordingly.

Stock dividends on common shares are measured based on the total par value of declared stock dividends. Stock dividends are deducted from retained earnings when the BOD's declaration is ratified by the stockholders of the Company. 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.

#### 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. Future dividend payments, if any, will depend on the earnings, cash flow and financial condition of the Company and other factors.

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

		<u>High</u>	<u>Low</u>
2021	First Quarter	2.34	0.65
2020	First Quarter	0.79	0.65
	Second Quarter	0.77	0.54
	Third Quarter	0.76	0.66
	Fourth Quarter	0.95	0.62
2019	First Quarter	1.05	0.73
	Second Quarter	0.89	0.74
	Third Quarter	0.84	0.71
	Fourth Quarter	0.78	0.70

*Note: Prices in 2019 took into account the stock dividends declared to the stockholders*

**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 April 28, 2021 at ₱1.98 per share.

**g. Holders**

The number of shareholders of record as of March 31, 2021 was 751.

Top 20 Stockholders of record as of March 31, 2021:

	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1.	Cityland Development Corporation	712,030,839	49.73
2.	Cityland, Inc.	422,918,496	29.54
3.	PCD Nominee Corporation – Filipino	122,056,793	8.52
4.	Cityplans, Incorporated.	12,447,765	0.87
5.	Roxas, Stephen C.	12,223,321	0.85
6.	Shao, Henry	11,094,363	0.77
7.	Tan, Joyce Liuson or Tan, Philip Sim	10,901,636	0.76
8.	Liuson, Andrew I.	7,695,178	0.54
9.	Credit & Land Holdings, Inc.	7,373,727	0.52
10.	Liuson, Grace C.	6,737,109	0.47
11.	Co, Sharon Valerie	5,727,174	0.40
12.	Co, Stephanie Vanessa	5,727,174	0.40
13.	Co, Stephen Vincent	5,727,174	0.40
14.	Lim, Josephine	4,090,838	0.29
15.	Ecclesiastes, Inc.	3,692,420	0.26
16.	Gohoc, Josef C.	3,004,274	0.21
17.	PCD Nominee Corporation – Others	2,898,298	0.20
18.	Obadiah, Incorporated	2,509,274	0.18
19.	Roxas, Jefferson C.	2,399,867	0.17
20.	Jemimah Incorporated	2,364,037	0.17

**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 remains 1,431,785,284 as there was no stock dividend declaration in 2020. Stock dividends are exempted from registration under SRC Rule 10.1-2 (Exempt Transaction Not Requiring Notice).

**CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

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

## 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.

- 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.

Based on the outcome of the periodic self-rating, we will come up with necessary actions / procedures to improve the corporate governance of the Company.

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

### ACKNOWLEDGEMENT

In 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 2021 for the Company and the real estate industry.

**Upon written request, the Company undertakes to provide without charge a copy of the Annual Report on 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. 8-893-6060 local 409.**