COVER SHEET

SEC Registration Number

7	7	8	2	3						

COMPANY NAME

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

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

2	/	F		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		1	,		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

1	7	-	A	

Department requiring the report

M	S	R	D

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
fmsd@cityland.net	893-6060	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
686	1st Tuesday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	cdc_rg@cityland.net	893-6060	N/A

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 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2015**

2. SEC Identification Number: **77823** 3. BIR Tax Identification No.: **000-527-103**

4. Exact name of issuer as specified in its charter: **Cityland Development Corporation**

5. **2/F Cityland Condominium 10 Tower 1,**
156 H.V. Dela Costa Street, Makati City 1226 6. [ ] (SEC Use Only)
Address of Principal Office Industry Classification Code

4. **632-8936060**
Issuer's Telephone Number, including area code

5. Former Name, Former Address and Former Fiscal Year, if changed since last report **N/A**

6. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Unclassified Common Shares	**3,571,940,453**

7. Are any or all of these securities listed on a Stock Exchange?

Yes [**X**] No [ ]

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

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

8. Check whether the issuer:

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

Yes [**X**] No [ ]

(b) Has been subject to such filing requirements for the past 90 days?

Yes [**X**] No [ ]

9. Aggregate market value of the voting shares held by non-affiliates:

Number of Shares		Price *		Aggregate Market Value
901,977,020	**x**	**Php 1.04**	**=**	**Php938,056,101**

** Closing price on April 12, 2016.*

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PART I - BUSINESS AND GENERAL INFORMATION

Item I. Business

A. Background Information

1. Brief Company History

Cityland Development Corporation (the Company or CDC) is a domestic publicly listed corporation which is duly organized and existing under and by virtue of the laws of the Philippines since January 31, 1978 with the primary purpose of engaging in real estate development.

2. Listing in Stock Exchange

The Company was listed with the Manila and Makati Stock Exchange in March 1983.

3. Subsidiaries

a. City & Land Developers, Incorporated (CLDI): a real estate company incorporated under the laws of the Philippines and registered with the Securities and Exchange Commission (SEC) on June 28, 1988.
b. Cityplans, Incorporated (CPI): a pre-need company incorporated under the laws of Philippines and registered with the SEC on October 27, 1988.

4. Nature of Operations

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

Its projects include medium to high-rise office, commercial, and residential condominiums located in cities of Makati, Mandaluyong, Manila and Pasig; and residential subdivisions and farmlots in Bulacan and Cavite.

B. Development of Business for the past three (3) years (2013-2015)

We present herewith the status of sales and construction of our projects as of the end of the following years:

CDC (Parent Company)

	PERCENTAGE SOLD			
	2015	**2014**	**2013**	
Pines Peak Tower I	60.52	16.54	4.688	Launched in 2012
Grand Central Residences I	64.30	47.91	30.03	Launched in 2010
Makati Executive Tower IV	92.15	87.50	84.03	Launched in 2009
Mandaluyong Executive Mansion III	96.07	97.05	99.00	Launched in 2008
Makati Executive Tower III	96.06	93.59	94.59	Launched in 2006
Manila Executive Regency	99.08	99.99	99.76	Launched in 2005
Rada Regency	100.00	100.00	99.69	Launched in 2005
Corinthian Executive Regency	99.76	100.00	99.84	Launched in 2004
Makati Executive Tower II	99.62	100.00	99.88	Launched in 2003

	PERCENTAGE OF COMPLETION		
	2015	**2014**	**2013**
Pines Peak Tower I	93.94	66.18	24.80
Grand Central Residences I	100.00	83.74	60.11
Makati Executive Tower IV	100.00	100.00	100.00
Mandaluyong Executive Mansion III	100.00	100.00	100.00
Makati Executive Tower III	100.00	100.00	100.00
Manila Executive Regency	100.00	100.00	100.00
Rada Regency	100.00	100.00	100.00
Corinthian Executive Regency	100.00	100.00	100.00
Makati Executive Tower II	100.00	100.00	100.00

CLDI (Subsidiary)

	PERCENTAGE SOLD			
	2015	**2014**	**2013**	
North Residences	19.43	11.57*	—	Launched in 2014
Manila Residences Bocobo	96.94	95.18	96.46	Launched in 2009
Grand Emerald Tower	99.24	99.98	98.85	Launched in 2006
Pacific Regency	99.89	99.80	99.89	Launched in 2004

**Cash proceeds were recorded as part of "Accounts payable and accrued expenses" in the 2014 consolidated balance sheet pending the issuance of license to sell and certificate of registration by HLURB.*

	PERCENTAGE OF COMPLETION		
	2015	**2014**	**2013**
North Residences	37.73	1.01	—
Manila Residences Bocobo	100.00	100.00	96.46
Grand Emerald Tower	100.00	100.00	98.85
Pacific Regency	100.00	100.00	99.89

CPI (Subsidiary)

	PERCENTAGE SOLD			
	2015	**2014**	**2013**	
Windsor Mansion	93.07	89.88	100.00	Launched in 2007
Oxford Mansion	100.00	99.98	100.00	Launched in 2004
Pasig Royale Mansion	100.00	99.63	100.00	Launched in 2003

	PERCENTAGE OF COMPLETION		
	2015	**2014**	**2013**
Windsor Mansion	100.00	100.00	100.00
Oxford Mansion	100.00	100.00	100.00
Pasig Royale Mansion	100.00	100.00	100.00

1. Project Description

CDC

Ongoing Projects:

Pines Peak Tower I

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

Completion Date: March 2016

Citynet Central

Citynet Central is a 22-storey commercial and business process outsourcing (BPO) office building located in Sultan Street, Brgy. Highway Hills (close to MRT Shaw), Mandaluyong City. It is in close proximity to schools, malls, and hospitals.

Estimated Date of Completion: First semester of 2017

Completed Projects:

Citynet 1

Citynet 1 is a 5-storey premiere business technology hub located along 183 EDSA, Brgy. Wack-Wack, Mandaluyong City. It is currently being leased out to a business process outsourcing (BPO) company.

Grand Central Residences I

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

Makati Executive Tower IV

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

Mandaluyong Executive Mansion III

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

Makati Executive Tower III

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

Manila Executive Regency

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

Corinthian Executive Regency

Corinthian Executive Regency is a 39-storey office, commercial and residential condominium located along Ortigas Avenue, Pasig City. It has an excellent location and close proximity to various schools (La Salle Greenhills, Poveda), churches, hospitals (the new Medical City), banks, shopping malls (Robinson Galleria, SM Megamall, the Podium, Shangrila), restaurants and other leisure centers. Its amenities and facilities include swimming pool, gym, sauna for men and women, viewing deck, function room, laundromat, provision for children's playground and 24-hour association security.

CLDI

Ongoing Project:

North Residences

The 29-storey commercial and residential condominium is located along EDSA (beside WalterMart) corner Lanutan, Brgy. Veterans Village, Quezon City. It is conceptualized for the practical modern families to enjoy suburban cityliving that is friendly on the budget.

Estimated Date of Completion: September 2018

Completed Projects:

Manila Residences Bocobo

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

Grand Emerald Tower

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

Pacific Regency

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

CPI

Completed Projects:

Windsor Mansion

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

Oxford Mansion

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

Pasig Royale Mansion

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

2. Marketing

All projects are sold by direct company salesmen and independent brokers.

3. Revenue Contribution to Total Revenues on Sale of Real Estate Properties

	PERCENTAGE		
	2015	**2014**	**2013**
Cityland Development Corporation			
Naic Property	33.01	—	—
Pines Peak Tower I	29.28	12.76	1.60
Grand Central Residences I	23.83	40.20	22.82
Makati Executive Tower IV	3.88	12.41	39.42
Makati Executive Tower III	2.96	6.79	8.03
Mandaluyong Executive Mansion III	0.44	2.43	4.99
Manila Executive Regency	0.27	1.27	0.47
Corinthian Executive Regency	0.08	0.74	0.30
Rada Regency	0.04	0.90	0.06
Makati Executive Tower II	—	0.94	1.21
Las Piñas Property	—	—	4.28
Others	0.13	1.13	1.07
Sub-total	93.92	79.57	84.25

	PERCENTAGE		
	2015	**2014**	**2013**
City & Land Developers, Incorporated			
North Residences	3.20	—	—
Manila Residences Bocobo	1.51	3.51	4.83
Grand Emerald Tower	1.09	5.30	10.16
Pacific Regency	0.09	—	—
Samar Property	—	11.27	—
Others	—	—	0.41
Sub-total	5.89	20.08	15.40
Cityplans, Incorporated			
Windsor Mansion	0.17	0.35	0.12
Pasig Royale Mansion	0.02	—	0.10
Oxford Mansion	—	—	0.13
Sub-total	0.19	0.35	0.35
Total	**100.00**	**100.00**	**100.00**

4. Domestic and Foreign Sales Contribution to Total Sales

The table below illustrates the percentage of revenue attributable to domestic and foreign sales of real estate properties for the years ended December 31, 2015, 2014 and 2013:

	PERCENTAGE		
	2015	**2014**	**2013**
Sales			
Filipino Citizens	94.83	89.21	81.14
Foreign Citizens	5.17	10.79	18.86
Total	**100.00**	**100.00**	**100.00**

5. Competition

In the property development industry, the principal methods of competition among the developers are as follows: price; product or the type of development (i.e. high, middle, low-end); service or property management after the project is turned over to the buyers.

The Group sells its products, which consist of condominium projects, to both end-users and investors at affordable prices. It foresees that the demand for real estate products such as residential units will remain underserved due to: i) continued shift from rural to urban areas; ii) continued increase in number of Overseas Filipino Workers (OFW) who have shown growing propensity for home purchase; and iii) population growth.

The condominium project which is quite similar in price, type of development and proximity to Makati Executive Towers III and IV is The Linear, a project of Filinvest Land, Inc., which is located at corner Yakal, Malugay and Mayapis St., Makati City.

The condominium project that is quite similar in classification and proximity to Mandaluyong Executive Mansion III is the Tivoli Garden Residences, a project of DMCI, which is located along Coronado St., Mandaluyong City.

The condominium projects that are quite similar with Grand Central Residences I in terms of price, type of development, location and market is the Light Residences, a project of SM Development Corporation, which is located along EDSA corner Madison St., Mandaluyong.

The condominium project that is quite similar in classification and proximity to Pines Peak Tower I is the Avida Towers Centera, a project of Avida Land Corporation, which is located in Mandaluyong City.

The condominium project that is quite similar with North Residences in terms of price, type of development, market and location is Zinnia Residences, a project of DMCI, located at 1211 North EDSA, Muñoz, Quezon City.

The Group believes that Makati Executive Towers III and IV, Mandaluyong Executive Mansion III, Grand Central Residences I, Pines Peak Tower I and North Residences are competitive projects because of its good location and affordable pricing.

6. Customers

The Group has a broad market base and is not dependent upon a single or few customers. In 2015, CDC sold a raw land in Naic, Cavite to a domestic corporation accounting for 35.15% of CDC's sales. In 2014, the buyer of Samar Property (property of CLDI) which is a non-stock and not-for-profit organization accounts for more than 20% of CLDI's sales. Aside from these two transactions, the Group has no significant transactions with customers in terms of percentage to total sales.

7. Purchases of Raw Materials and Supplies

The Group engaged the services of Millenium Erectors Corporation and Capcons Philippines Corporation for the civil and architectural works in the development of its projects.

The Group has no major existing construction materials supply contracts for its projects. The major construction materials like steel bars, cement, etc. are sourced through canvassing and bidding from its list of accredited suppliers. The Group then purchases the construction materials from the lowest bidder.

8. Transactions with and/or Dependence on Related Parties

The Group, in the normal course of business, has transactions and account balances with related parties which were made on an arm's length basis.

Discussions of Transactions with and/or Dependence on Related Parties are thoroughly discussed in Item XII. *Certain Relationships and Related Transactions* of this report.

9. Number of Employees

The Group has a total of 201 employees as of December 31, 2015 classified as follows:

Managerial	36	Administrative	79
Rank & file	165	Operations	122
Total	**201**	**Total**	**201**

The number of employees is expected to increase by 4% within the next 12 months. The Group maintains an organizational framework whereby important management functions as well as administrative tasks are shared within the Cityland group. The Group compensates the employees for the actual costs of these services.

The Group gives bonuses to its employees. Also, employees are entitled to vacation and sick leaves and are covered by a retirement plan. All employees are not subject to collective bargaining agreement.

The Group's employees are not on strike neither are threatening to strike nor have they been on strike in the past three (3) years.

10. Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements

The following table summarizes the registered trademarks of the Group:

	TRADEMARK	REGISTRATION No.	Expiry Date
CDC	We Commit, We Deliver	4-2008-000846	September 8, 2018
	CDC	4-2008-001673	September 8, 2018
	CITYLAND	4-2008-000847	September 8, 2018
	CityNet1	4-2012-00004428	November 15, 2022
	CityNet Central	4-2013-00002566	October 10, 2023
CLDI	City & Land Developers, Inc.	4-2008-000848	September 8, 2018
	CLDI	4-2008-002313	July 14, 2018
CPI	Cityplans, Inc.	4-2008-000849	September 9, 2018
	CITYPLANS, INC. w/ LOGO	04-2013-007503	August 14, 2024

11. Government Approval of Projects

Projects launched and completed during 2013 – 2015 are covered by the following permits:

a. Housing and Land Use Regulatory Board (HLURB)
- Certificate of Registration/License to Sell

b. City/Municipal Building Official / Department of Public Works and Highways (DPWH)
- Development Permit/Location
- Building Permit
  - excavation, sidewalk, sanitary
  - electrical, mechanical, fire
  - civil
- Occupancy Permit
  - electrical, mechanical, sanitary
  - civil, fire

c. Department of Environmental and Natural Resources (DENR)
- Environmental Compliance Certificate (ECC)

d. Laguna Lake Development Authority (LLDA)
- Permit to Construct
- Permit to Operate

12. Effect of Existing Government Regulations on the Business

The Group has complied with all the appropriate government regulations prior to the development and marketing of its projects. Compliance with these requirements symbolizes the unrelenting commitment of the management to service and protection of its community and environment.

13. Amount Spent for Research/Development Activities

The Group did not spend significant amount for research and development activities.

14. Cost and effect of Compliance with Environmental Laws

Payments made by the Group for environmental clearances to DENR are as follows:

2015 No payment was made.

2014 Payment of ₱55,015.00 to LAQ Consulting for ECC procurement of North Residences, a project of CLDI.

2013 Payment of ₱94,772.15 to LLDA for ECC and LLDA Clearance of One Taft Residences.

Reimbursement of ₱328,015.00 to Wet Consultancy, Inc. for ECC and LLDA Clearance of One Taft Residences.

Reimbursement of ₱60,843.14 to Wet Consultancy, Inc. for LLDA Application Fee of Manila Residences Bocobo.

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

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

INTERNAL FACTORS

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

The Group manages such refinancing risks by having a current and acid-test ratio of 3.42:1 and 2.45:1 as of December 31, 2015 from 2.85:1 and 1.74:1 as of December 31, 2014, 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 receivable and other financial assets of the Group. The corresponding management strategies for the aforementioned risks are as follows:

a. The credit risk on the installment contracts receivable may arise from the buyers who may default on the payment of their amortizations. The Group manages this risk by dealing only with recognized, credit worthy third parties. Moreover, it is the Group's policy to subject customers, who buy on financing, to credit verification procedures. Also, installment contracts receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is insignificant.

b. The credit risk on the other financial assets of the Group such as cash and cash equivalents, short-term cash investments, financial assets at fair value through profit or loss and available-for-sale financial assets may arise from default of the counterparty. The Group manages such risks by its policy to enter into transactions with a diversified creditworthy parties to mitigate any significant concentration of credit risks. As such, there are no significant concentrations of credit risks in the Group.

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

The Group's financial assets mainly consist of installment contract receivables, cash and cash equivalents and short-term investments. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates.

For the financial liabilities, the Group only has short-term commercial papers (STCPs) which bear fixed interest rates, thus, are not exposed to fluctuations in interest rates

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

The available-for-sale financial assets 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 Group.

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

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

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

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

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

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

GROUP'S BUSINESS AND OPERATIONS

Land Banking The Group's land banking consists of parcels of land for future development of its condominium projects and lot/s intended for lease. Having enough and diversified land banking is important to support the sustainability of the Group's business. The Group may be exposed to risks because of the possible changes in the value of these lots due to market circumstances which may result in impairment or decline in rental rate levels.

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

Property development and construction

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

- delays or longer than expected time of securing necessary licenses, permits and approvals from different government agencies or neighborhood;
- possible increase in the cost of materials and labor which will impact pricing and costing;
- labor disputes among and with the contractors and sub-contractors; and
- delay in the delivery of the project.

These risks are managed by the Group as follows:

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

ECONOMIC FACTORS

Economic

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

Political

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

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. The industry is still in the boom stage.

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 Group believes that it is in a better position to cope with the competition because of the affordability of the projects it offers in the market.

Asset Price Bubble

Asset price bubble in real estate occurs when there is an identified rapid increases in valuations of real property until they reach unsustainable levels and then decline. Real estate bubbles had existed in the recent past and is still widely believed to still exist in many countries such as the United States which had resulted in the recent subprime mortgage crisis.

In the Philippines, records of low interest rates have raised concerns over potential asset price bubble, however, the government through the Finance Secretary said that these risks are under control (www.cnbc.com). Increased scrutiny and monitoring of this risk in the country comes after Hongkong and Singapore adopted measures to cool property prices (www.bloomberg.com). This asset price bubble risk is intensely monitored by the government agencies, Department of Finance and the Philippine Central Bank which is set to introduce

a residential property-price index. This risk will be continuously mitigated by the appropriate actions and policies of regulators as well as the banking sector. Also, since the Philippine economy showed a healthy and sustainable growth, this reduces the risk of asset price bubble.

The Bangko Sentral ng Pilipinas (BSP) has reiterated that there are no macro-prudential risks from the real estate market as growth in the property sector remains demand driven. Mr. Amando Maglalang Tetangco, Jr., the incumbent Governor of BSP, said the BSP closely monitors the lending of banks to the property sector through a quarterly stress test. *"For real estate, we do the stress test quarterly because of the special nature of the property sector. Historically that is a source of problem. Not that we have that problem now but what we want is try to avert a potential problem in the property sector," he said. "Right now we believe there is no asset bubble in the property sector. Basically the increase in property prices and the growth in the property sector has essentially been demand driven,"* Tetangco added. Unlike before, Tetangco said property developers are more conservative in their construction activities. (Source: http://www.msn.com/en-ph/money/topstories/no-asset-bubble-in-real-estate-bsp-reiterates/ar-BBminOS)

Demand for residential properties is mainly driven by the middle class, particularly overseas Filipinos and the young professionals from the BPO sectors. The Group's projects, which cater to the middle income groups, belong to the medium-cost category. This minimizes the Group's exposure to asset price bubble risk as compared to the high-end players in the real estate industry.

The Group 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 Group is able to assess and manage the risks mentioned above.

Item II. Properties

Investment properties and real estate properties held for future development as of December 31, 2015 are as follows:

Cityland Development Corporation

Particular	Location	Total Area	Description	Mortgagee/ Limitation
1. Land & building	Corner Pioneer and Reliance Sts., partly located in Mandaluyong City & Pasig City	12,502	The property is located near MRT3 Boni Station; about a km. away from Ortigas Center and presently improved with warehouse buildings.	Security Bank / ₱1,600M & Metrobank / ₱200M
2. Land	Corner Union and Pines Sts., Mandaluyong City	2,867	The land is located in an area where land development is for commercial and industrial purposes.	–
3. Land	Brgy. Pungungyanan, Gen. Trias, Cavite	501,832	The land is adjacent to Eagle Ridge Golf Course and Gateway Business	–

Particular	Location	Total Area	Description	Mortgagee/ Limitation
			Park.	
4. Land	Brgy. Almanza Uno, Las Piñas City	2,959	Lot is located at the northeast side of Alabang-Zapote Road	–
5. Building for lease (CityNet1)	Bo. Wack-Wack, Mandaluyong City	2,367	The property is located near POEA in front of Robinson's Galleria; along EDSA very near MRT3 Ortigas Station.	Security Bank / ₱1,600M
6. Building for lease- under construction (CityNet Central)	Brgy, Highway Hills, Mandaluyong City	5,718	Lot is located near EDSA Central & Shangri-La Mall in Shaw Blvd.	–
7. Office Condo	H.V. Dela Costa St., Salcedo Village, Makati City	3,493	This is an office condominium for lease and office use located at Cityland 10 Tower I&II in H.V.dela Costa corner Geronimo and Valero Sts., Makati City.	Metrobank / ₱200M
8. Land	Brgy. Bagong Pag-asa, Quezon City	2,025	Lot is located along North Avenue, Brgy. Bagong Pag-asa, Quezon City	–

City & Land Developers, Incorporated

Particular	Location	Total Area	Description	Mortgagee/ Limitation
1. Land	Roxas Blvd. Cor. Seaside Drive, Brgy. Tambo, Parañaque City	3,154	Lot is located along Roxas Blvd. Property.	–
2. Land	1939 Taft Avenue, Malate, City of Manila	2,038	Lot is located along Taft Avenue.	–
3. Land	Malvar Cor. Pilar Hidalgo, Malate, City of Manila	1,797	Lot is located along Malvar Cor. Pilar Hidalgo, Malate	–

Ownership

The Group has complete ownership of the above-mentioned properties.

Plan to Purchase

The Group has intentions to acquire property (ies) within the next 12 months depending on the outcome of its negotiation with the prospective seller(s). We are also continuously receiving property offers and at the same time reviewing them but no definite property is identified yet.

Lease Contracts

Leased properties as of December 31, 2015 are as follows:

	Rental Income
Citynet 1 – Building	₱50,974,534
Pioneer – Warehouse/Parking	10,972,456
Makati Executive Towers – Condominium Units/Parking	7,786,783
Cityland Condominium 10 Towers I and II - Condominium Units/Parking	3,738,254
Grand Emerald Tower – Condominium Units/Parking	3,345,316
Manila Residences Bocobo	1,017,525
Roxas Boulevard – Lot	1,007,650
Quezon City- Lot	847,010
Manila Executive Regency – Condominium Units/Parking	841,401
Cityland Dela Rosa Condominium – Parking/Storage	575,760
Mandaluyong Executive Mansion 3 – Condominium Units/Parking	441,879
Rada Regency – Parking	311,881
Cityland Herrera Tower – Parking/Storage	249,092
Windsor Mansion – Condominium Units	223,400
Other leased properties	924,827
Total	**₱83,257,768**

In 2013, CDC started construction of CityNet1 which was completed in 2014. CityNet1 was registered with the Philippine Economic Zone Authority (PEZA) on March 3, 2014 with Registration No. EZ14-04. CDC leases out this property to a business process outsourcing (BPO) company which is also a PEZA-registered entity. In 2014, CDC also started the construction of another building for lease, Citynet Central, which is expected to be completed within the first half of 2017.

Item III. Legal Proceedings

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

- **COMPANY**

A. Cityland Development Corporation

1. Esmeraldo Balosa vs. CDC
Civil Case No. MC08-3563
Regional Trial Court Mandaluyong City, Branch 208
Date Instituted: April 11, 2008

Esmeraldo Balosa filed a case for Preliminary Mandatory Injunction with damages against Cityland after the Business and License Department of Mandaluyong City closed his stalls due to Balosa's failure to secure the necessary permits. He alleged that he has not been paying the lease because another entity is also claiming ownership of the leased property and that the property cannot be used for his business. Balosa claims Cityland illegally ejected him. The court dismissed the complaint of Balosa and denied his Motion for Reconsideration. Balosa appealed the decision to the Court of Appeals.

2. **Arthur M. Litonjua vs. CDC**
LRC Case No. R-7442
Regional Trial Court Pasig City, Branch 161
Date Instituted: October 29, 2010

Arthur M. Litonjua filed a Petition dated October 29, 2010 and received by Cityland, last February 1, 2011, seeking an order to compel Cityland or any person in possession of the owner's duplicate copy of TCT No. 38762, to surrender the same to the Register of Deeds of Pasig City. In the alternative, Litonjua prayed for the annulment of said owner's duplicate copy should the person holding the same refuse to surrender the same, and for the Register of Deeds of Pasig City to issue a new certificate of title in the name of Litonjua and possession of the subject property.

Cityland commented that it had previously sold the property to Roy L. Borbon way back in March 28, 1995 but Borbon never claimed the title from Cityland to undertake the registration of the same. In a decision dated June 26, 2014, the court ordered Cityland to surrender the title to the Registry of Deeds for Pasig, or, in the alternative it ordered the Register of Deeds to issue a new certificate of title in the name of Litonjua.

3. **Cristy Katsui vs. CDC**
Case No. NCR REM-062612-14812
HLURB – Expanded National Capital Region Field Office
Date Instituted: June 26, 2012

Cristy Katsui filed a Complaint dated June 20, 2012 before the Housing and Land Use Regulatory Board (HLURB), seeking an order for the rescission of the Contract to Sell over a commercial unit no. G-11 in Makati Executive Tower IV and for the return of all the amortizations paid by her and her children in the total amount of ₱1,634,000.00.

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

Land Use Arbiter and the HLURB rendered a decision for the complainant and the same was elevated to the Office of the President which is now pending.

4. **Petition for Cancellation of Condominium Certificate of Title No. 008-2011001010 of the Registry of Deeds for Mandaluyong Under Sec. 108 of P.D. No. 1529 – CDC, Petitioner**
LRC Case No. MC13-705
Regional Trial Court Mandaluyong City, Branch 208
Date Instituted: November 27, 2013

Cityland filed a Petition to cancel Condominium Certificate of Title No. 008-2011001010 of the Registry of Deeds for Mandaluyong covering parking slot identified as PL-P012 of Mandaluyong Executive Mansion III, Brgy. Vergara, Mandaluyong City, on the ground that the site of the parking slot cannot accommodate a parked vehicle due to fixed obstructions above. The witness for Cityland was recalled by the court for cross-examination by the City Prosecutor.

5. **Baguio Cityland, Inc. vs. CDC & CI**
SEC CRMD Case No. 15-728
Securities & Exchange Commission- Company Registration & Monitoring Dept.
Date Instituted: April 20, 2015

Cityland filed a Complaint against Baguio Cityland, Inc. for violation of Section 18 of the Corporation Code of the Philippines. Cityland's prayed that SEC direct Baguio Cityland Inc to

immediately amend its Article of Incorporation be deleting the name "Cityland" and changing its corporate name in a manner that will not cause any confusion to Cityland's business and identity. Favorable decision rendered by SEC. Awaiting finality and execution of the decision.

6. **Cityland Dev. Corp. vs. Triex International Brokerage**
   Civil Case No. 15-937
   Regional Trial Court Makati City, Brach 66
   Date Instituted: September 8, 2015

   Cityland filed a complaint for collection of money against Triex International Brokerage for its failure to pay/reimburse Cityland for the payments the latter made for real estate taxes due on the condominium units purchased by Triex, Unit 2305 of Pasong Tamo Tower. For serving of summons.

7. **Cityland Dev. Corp. vs. Precioso Salud**
   Civil Case No. 15-964
   Regional Trial Court Makati City, Branch 60
   Date Instituted: September 15, 2015

   Cityland filed a complaint for collection of money against Precioso Salud for his failure to pay/reimburse Cityland for the payments the latter made for real estate taxes due on the condominium units purchased by Salud, Unit 604 of Pasong Tamo Tower. Mediation is set on March 10, 2016

8. **Cityland Dev. Corp. vs. The Asia Pacific Centre for Research**
   Civil Case No. 112864
   Metropolitan Trial Court Manila, Branch 2
   Date Instituted: September 15, 2015

   Cityland filed a complaint for collection of maney against The Asia Pacific Centre for Research for its failure to pay/reimburse Cityland for the payments the latter made for real estate taxes due on the condominium units purchased by The Asia Pacific Centre for Research, Units 424 and 425 of Pasong Tamo Tower. Trial of the case in on-going.

9. **Cityland Dev. Corp. vs. Philippine Computer Society (PCS)**
   Civil Case No. 113225
   Metropolitan Trial Court Manila, Branch 18
   Date Instituted: October 27, 2015

   Cityland filed a complaint for collection of money against Philippine Computer Society for its failure to pay/reimburse Cityland for the payments the latter made for real estate taxes due on the condominium unit purchased by PCS, Unit 263 of Cityland Dela Rosa Condominium. For serving of summons.

10. **Cityland Group of Companies vs. Ian Jasper Sazon, etal.**
Civil Case No. 141025
Regional Trial Court Makati City, Branch 138
Date Instituted: September 26, 2014

Cityland Group filed an Interpleader case to determine who among the defendants are entitled to be recognized as the successor to the rights of the deceased Ofelia Salamat as buyer of various properties purchased from Cityland Group. Trial of the case in on-going.

B. City & Land Developers, Incorporated

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

SAVHA filed a Complaint dated January 16, 2012 which was received by CLDI on March 3, 2012, to enjoin defendant and all persons allowed by said defendant CLDI from using Benedictine Street in Sta. Ana Village, Barangay Sun Valley, Paranaque City; and to order the defendant by way of a writ of mandatory injunction to open another outlet to the main road without cost or liability to plaintiff. CLDI stated in its Answer that plaintiff has not proven its claim over Benedictine Street because the Deed of Donation used by the plaintiff is a falsified and/or spurious document. Furthermore, there is a Right-of-Way Agreement for Benedictine Street. Case was dismissed. However, SAVHA filed a Motion for Reconsideration which was granted. SAVHA's Judicial Affidavit of first witness was expunged from the records of the case. Trial of the case is ongoing.

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) vs. City & Land Developers, Inc.**
Civil Case No. 13-0209
Paranaque Regional Trial Court – Branch 274
Date Instituted: July 16, 2013

DPWH filed a Complaint for Expropriation for certain portions of the properties owned by CLDI, including the improvements therein, located in Barangay Tambo, Paranaque City, which will be part of the NAIA Expressway Project Phase II. A Writ of Possession was issued by the court. Trial of the case is ongoing on the issue of just compensation.

- **PROPERTY**

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

The cases mentioned above involving real estate taxes on properties will not have a material impact on the Group's financial statements.

The Group does not expect that the outcome of the two material legal proceedings above involving the Group will have a material adverse effect on the financial condition of the Group.

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

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

During the past five years up to present, the Group, any of its directors or executive officers is not subject to any order, judgment, or decree, not subsequently reversed, 30 suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

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

Item IV. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II - RATIONAL AND FINANCIAL INFORMATION

Item V. Market for Registrant's Common Equity and Related Stockholders Matters

1. Dividends Policy

Dividends declared by the Group on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the Group and other factors.

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 Group and other factors.

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

2. Dividends

	2015	2014	2013
Cash	₱0.027	₱0.03	₱0.03
Stock	–	5%	5%

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

The Parent Company did not declare stock dividends in 2015. Stock dividends on common shares are measured based on the total par value of declared stock dividend. Stock dividends are deducted from retained earnings when the BOD’s declaration is ratified by the stockholders of the Parent 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.

3. Stock Prices

		Unclassified Common Shares	
		High	**Low**
2015	First Quarter	1.02	0.97
	Second Quarter	1.20	0.97
	Third Quarter	1.08	0.95
	Fourth Quarter	1.15	0.95
2014	First Quarter	1.06	0.95
	Second Quarter	1.43	0.96
	Third Quarter	1.25	1.00
	Fourth Quarter	1.48	0.97

Note: Prices in 2014 took into account the 5% stock dividends declared to the stockholders of record as of July 3, 2014.

4. Trading Market

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

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

5. Price Information on the Latest Practicable Date

The Parent Company's shares were last traded on April 12, 2016 at ₱1.04 per share.

6. Public Ownership

Total number of shares owned by the public is 895,415,795 shares which represent 25.07% of the total 3,573,878,400 number of listed common shares.

7. Holders

a. The number of shareholders of record as of December 31, 2015 was 686.

b. The Top 20 Stockholders of record as of December 31, 2015 are as follows:

	Name	**No. of Direct Shares Held**	**Percentage**
1.	Cityland, Inc.	1,800,826,325	50.42%
2.	PCD Nominee Corporation –Filipino	302,881,095	8.48
3.	Roxas, Stephen C.	263,132,018	7.37
4.	Liuson, Grace C.	190,582,667	5.34
5.	Fan, Lucy	130,440,182	3.65
6.	Gohoc, Alice	123,649,781	3.46
7.	Liuson, Andrew I.	109,328,504	3.06
8.	Roxas, Helen C.	54,295,987	1.52
9.	Gohoc, Josef C.	47,876,199	1.34
10.	Recto, Ester	27,893,395	0.78
11.	Gohoc, Josua	26,743,913	0.75
12.	Gohoc, Joel	26,625,571	0.75
13.	Gohoc, Joanna	26,527,181	0.74
14.	Gohoc, Johann C.	26,374,244	0.74
15.	PCD Nominee Corporation –Others	19,362,596	0.54
16.	Jefcon, Inc.	16,565,369	0.46
17.	Tan, Joyce Liuson or Tan, Philip Sim	15,955,942	0.45
18.	Chang, Rita D.	15,450,650	0.43

	Name	No. of Direct Shares Held	Percentage
19.	Obadiah, Inc.	15,256,589	0.43
20.	Shao Chien Yin &/or Christine L. Shao	13,049,538	0.37

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

a. There was no sale of unregistered securities.

b. The total number of shares issued and outstanding of the Company is 3,571,940,453 for the years 2014 and 2015 excluding 1,937,947 treasury common shares.

Item VI. Management's Discussion and Analysis or Plan of Operation

The Philippines emerged as one of Southeast Asia's fastest growing economies after posting a 5.8% GDP as of December 31, 2015. Growth proved to be fairly resilient to external headwinds such as the slowdown in China and other major economies. This was due to the country's strong household consumption sustained by remittances and growing business outsourcing sector. Other positive factors that contributed to growth are stable banking sector, decline in debt burden and benign inflation.

The country's economic gains have been beneficial to the real estate industry. The property market has grown robustly as increasing demand for residential properties became more evident driven by the middle class, particularly OFWs and the growing population of the country's young professionals. In addition, the excellent performance of the BPO sector has translated a higher demand for office requirements, thereby increasing property developments across the country's central business districts. With the above positive developments, combined with stable and low interest and inflation rates, the Group believes that the property sector is headed to post further gains in 2016.

Financial Performance

CDC has completed the construction of Grand Central Residences I (GCR), a 40-storey office, commercial and residential condominium located at EDSA corner Sultan St., (fronting MRT Shaw), Mandaluyong City.

The Group is pre-selling the following on-going projects as of December 31, 2015:

- North Residences
- Pines Peak Tower I (completed in March, 2016)

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

Cityland Development Corporation

- Grand Central Residences I
- Makati Executive Tower IV
- Makati Executive Tower III
- Mandaluyong Executive Mansion III
- Corinthian Emerald Regency
- Manila Executive Regency

City & Land Developers, Incorporated

- Manila Residences Bocobo
- Grand Emerald Towe
- The Pacific Regency
-

Cityplans, Incorporated (joint project with Cityland, Inc.)

- Oxford Mansion
- Windsor Mansion

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

Internal sources of liquidity come from sales of condominiums and real estate projects, collection of installment receivables, maturing short-term investments while external sources come from SEC-registered STCPs.

Plan of Operations

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

As for the Group's future projects, CLDI plans to launch One Taft Residences, a 40-storey residential/ commercial condominium along Taft Avenue, near LRT Quirino station. Meantime, CDC is currently developing a new BPO building, Citynet Central, located in Sultan Street, Brgy. Highway Hills, Mandaluyong City. CDC also plans to launch Pines Peak Tower II, a 27-storey high rise building in Mandaluyong City, alongside Pines Peak Tower I.

Financial Condition/Changes in Financial Condition (2015 vs. 2014)

The Group's balance sheet remained solid with total assets of ₱8.808B as of 2015, 6.16 % higher than the previous year's level of ₱8.297B. Increase in assets was primarily attributed to the increase in short-term cash investments, installment contracts receivable, and investment properties. Sales of real estate and collections of installment contract receivable increased the Group's funds. The parent company also sold a raw land in 2015, which increased the Group's cash account. Other sources of funds came from issuance of STCPs with interest rates ranging from 1.06% to 1.25%. Most of the funds were utilized in financing the Group's on-going condominium projects, namely Grand Central Residences I, Pines Peak Tower I and North Residences. The healthy cash position allowed the Group to purchase of a prime lot and finance the development costs of the building for lease consequently increasing investment properties by 39.53%. Excess funds were channeled to longer period investments to increase interest earnings.

On the liabilities side, the Group partially settled its contracts payable amounting to ₱112.50M and notes payable of ₱5.006B in 2015. Contracts payable balance as of December 31, 2015 amounting to ₱52.75M pertains to the investment property acquired during the year and was fully settled on February 18, 2016. In addition, notes payable availed during the year amounted to ₱4.927B. Net effect of the aforementioned transactions, reduced the notes and contracts payable account by 10.53%.

Total equity stood at ₱7.093B as of December 31, 2015 from ₱6.424B as of December 31, 2014 due to total comprehensive income of ₱771.72M net of cash dividends declared and paid by the Group amounting to ₱106.44M.

The foregoing resulted to an enhanced liquidity position with current ratio and acid ratio recorded at 3.42:1 and 2.45:1 in 2015 as compared to 2.85:1 and 1.74:1 in 2014. Moreover, the decrease in total liabilities strengthened the Group's debt-equity ratio which improved to 0.19:1 in 2015 from 0.24:1 in 2014.

Financial Condition/Changes in Financial Condition (2014 vs. 2013)

The Group's balance sheet remained solid with total assets of ₱8.297B in 2014, higher than the previous year's level of ₱8.197B. Increase in assets can be attributed to the increase in real estate properties for sale, real estate properties for future development and investment properties. The Group's sales and efficient collection of installment contracts receivable have resulted to a stable cash flow. Short-term cash

investments were reinvested in investments with shorter maturity period and were partially channeled to fund the Group's real estate projects. Funds were primarily utilized in financing the on-going condominium projects, namely, Grand Central Residences I, Pines Peak Tower I and North Residences. The Group also partially settled its outstanding notes and contracts payable, income tax payable and other liabilities, thereby reducing total liabilities by 9.24%. The healthy cash position allowed the purchase of two prime lots and the launching of a new condominium project by CLDI.

Total equity stood at ₱6.424B as of December 31, 2014 from ₱6.133B due to total comprehensive income of ₱421.49M net of cash dividends declared and paid by the Group amounting to ₱135.66M.

As a result of the forgoing the liquidity position recovered with current ratio and acid ratio recorded at 2.85:1 and 1.74:1 in 2014 as compared to 2.48:1 and 1.68:1 in 2013, respectively. The decrease in total liabilities however strengthened the Group's debt-equity ratio improving from 0.28:1 in 2013 to 0.24:1 in 2014.

Financial Condition/Changes in Financial Condition (2013 vs. 2012)

The Group's balance sheet remained strong as it ended the year with total assets of ₱8.197B as compared to ₱8.470B of the previous year. Sales of real estate caused the decrease in the real estate properties for sale account, while collections decreased the Group's installment contracts receivable. The Group's resources were substantially utilized for condominium development which led to the early completion of Makati Executive Tower IV and the fast completion rates of Grand Central Residences I and Pines Peak Tower I. It can be noted that all projects of CLDI were almost fully sold, which led to the decrease in its real estate properties for sale. On the liabilities side, CLDI managed its development costs prudently which resulted in the reversal of excess estimated development cost over the actual cost thereby reducing the accounts payable and accrued expenses account. The Group also partially settled its outstanding accounts payable and accrued expenses and its maturing notes and contracts payable resulting to the decrease in total liabilities of 24.04%. Remaining funds were shifted from cash and cash equivalents to short term cash investments for higher interest earnings.

Total equity stood at ₱6.133B as of December 31, 2013 as compared to ₱5.748B due to total comprehensive income of ₱519.53M less cash dividends of ₱142.37M.

The decrease in liabilities strengthened the Group's solvency position as debt equity ratio improved from 0.37:1 in 2012 to 0.28:1 in 2013. As of December 31, 2013, acid test and current ratio also improved to 1.68:1 and of 2.48:1, respectively as compared with 1.52:1 and 2.22:1 as of December 31, 2012.

Results of Operation (2015 vs. 2014)

The Group's sales of real estate properties amounted to ₱2.371B in the current year outperforming last year's figure of ₱1.152B, thus, leading to an increase of 105.76%. The significant increase in sales was due to the sale of a raw land and the continuous sales and high accomplishment rates of the Group's condominium projects. Consequently, realized gross profit increased by 116.47% from ₱438.50M in 2014 to ₱949.24M in 2015. The Parent Company's project, Grand Central Residences I, was completed in 2015, while Pines Peak Tower I was in the final stages of completion and was turned over in the first quarter of 2016. The fast construction of the two projects led to their sales contribution of 23.83% and 29.28%, respectively. Total sell-out rate as of 2015, which refers to the percentage of total units that were sold for Grand Central Residences I and Pines Peak Tower I, were at 64.30% and 60.52% as compared to 47.91% and 16.54% in 2014, respectively.

Revenue on sales of real estate properties were likewise increased by another subsidiary, CLDI. Construction accomplishment of the new project, North Residences, rose to 37.73% from the previous year's 1.01%, allowing the increase in realization of revenues in 2015. Revenues on sales are expected to increase as the construction accomplishment of North Residences advances. To increase future revenues, CLDI plans to launch a new project in Manila.

Other sources of revenues are financial income, rent income and other income. Financial income, which is substantially composed of interest income from sales of real estate properties, increased by 2.36% and

contributed 10.03% to total revenues. As for leasing operations, rent income from the BPO building, Citynet1, continued to generate steady rental income. This is further augmented by rentals of condominium and other investment properties resulting to a total rent income of ₱83.26M. Another source of revenues is the other income which is substantially earned from penalties charged to clients, and other miscellaneous income. Revenue contribution of other income accounted for 3.45% and 4.15% of total revenues in 2015 and 2014, respectively.

On the cost side, cost of real estate sales, operating expenses and provision for income tax increased as these move in tandem with sales. The Group was successful in managing its disbursements as cost of sales percentage to sales was maintained at 59.97% and 61.95% in 2015 and 2014, respectively. Maintaining its conservative view on borrowings, the Group's interest-bearing expense from STCPs remained manageable at ₱13.32M as compared to the prior year's ₱13.12M.

The Group ended in 2015 with a net income of ₱775.77M outperforming last year's figure of ₱417.66M, thus, leading to an increase of 85.74%. This translated to an earnings per share and return on equity of ₱0.21 and 12.55% for 2015 as compared to ₱0.10 and 6.69% of the same period last year.

Results of Operation (2014 vs. 2013)

The Group's sales of real estate properties reached ₱1.152B in 2014 from the previous year of ₱1.169B. Revenue on sales almost reached the same level of the previous year due to sales and construction accomplishment of the parent Company's projects, Grand Central Residences I and Pines Peak Tower I. These two condominium projects were in full blast construction reaching 83.74% and 66.18% in 2014, from last year's 60.11% and 24.88%, respectively. Sales of Grand Central Residences I and Pines Peak Tower I continued to contribute a significant 40.20% and 12.76% to annual sales of real estate respectively, while the other completed project, Makati Executive Tower IV was simultaneously sold reaching a sell-out rate of 87.50% at year-end and contributed 12.41% to total sales.

On the other hand, sales of real estate properties of CLDI contributed a modest 20.08% of total sales. The subsidiary sold a prime lot and the remaining condominium units of Grand Emerald Tower and Manila Residences. To increase future sales, CLDI launched a new condominium project, North Residences on the fourth quarter of the year 2014.

Other sources of revenues are financial income and rent income. Financial income which is primarily composed of interest income from real estate properties accounted for 17.56% of total revenues. Financial income fell due to lower interest rates and lower level of receivables and cash investments.

As for leasing operations, construction of new BPO building, Citynet 1 was completed in 2014 resulting to the increase in rental income by 168.40%.

On the cost side, cost of real estate sales increased due to the sale of a prime lot, while operating expenses decreased due to lower personnel expenses, professional fees, insurance expense and membership dues. Moreover, partial settlement of notes and contracts payable and lower interest rates eased interest payments thereby reducing financial expenses by 73.67%.
As a result of the foregoing, financial performance for the year resulted to a net income of ₱417.66M from the previous year's ₱519.53M. This translated to an earnings per share and return on equity of ₱0.10 and 6.69% in 2014 as compared with ₱0.12 and 8.05% in 2013.

Results of Operation (2013 vs. 2012)

Revenue from sales reached ₱1.169B as compared to the previous year of ₱1.421B. Although sales of the subsidiary, CLDI decreased due to low inventory, sales and fast completion of the projects of the parent company, CDC, contributed significantly to total revenues. The projects of CDC, namely, Makati Executive Tower IV and Grand Central Residences I were in full blast construction which led to their 100.00% and 60.11% completion, and contributed substantially to total revenues. On the other hand, Pines Peak Tower I, the newest project of CDC, contributed modestly to total sales, as it reached 24.88% completion in 2013. Meantime, the Company's other completed projects, Makati Executive Tower III, Mandaluyong Executive Mansion III steadily contributed to total revenues and provided stable cash flows

as they reached a sell-out rate of 94.59%and 99.00%, respectively at the end of the year. CLDI is selling the remaining units of Manila Residences Bocobo and Grand Emerald Tower. The Company projects that sales will further improve when CLDI opens a new project next year.

Other sources of revenues are financial income and rent income. Financial income is primarily composed of interest income from sale of real estate properties accounting for 21.46% of total revenues. With respect to lease operations, rent income for the year increased by 13.99% due to increase in units available for lease. Income from lease operations is expected to increase next year due to the launching of the new BPO hub in the fourth quarter of the year. For other revenues account, the increase was due to adjustment of the excess of estimated development cost over the actual cost of a completed project of CLDI.

On the cost side, lower revenues decreased cost of sales and provision for income tax. Although revenues decreased, operating expenses increased due to adjustments in staff benefits and professional fees. Increase in other expenses was due to reversal of gross profit recognized in prior years due to forfeiture/cancellation of sales. On the other hand, financial expenses dropped to ₱26.08M from ₱ 47.64M, due to payment of notes and contracts payable and lower interest rates. Altogether, the Company earned a consolidated net income of ₱519.53M slightly lower from ₱530.16M of the previous year which translated to earnings per share and return on equity of ₱0.12 and 8.05% as compared with last year's ₱0.11 and 8.14%.

Key Performance Indicators (2015 vs 2014 vs 2013)

Cityland Development Corporation (Consolidated)	**2015**	**2014**	**2013**
Earnings per share	₱0.21	₱0.10	₱0.12
Return on equity	12.55%	6.69%	8.05%
Solvency ratio	0.47	0.24	0.26
Interest rate coverage ratio	154.37	96.09	27.73
Asset to liability ratio	5.12	4.43	3.97
Asset to equity ratio	1.42	1.50	1.56
Debt – equity ratio	0.19	0.24	0.28
Current ratio	3.42	2.85	2.48
Acid – test ratio	2.45	1.74	1.68
City & Land Developers, Incorporated (Subsidiary)			
Earnings per share	₱0.06	₱0.08	₱0.16
Return on equity	4.00%	5.44%	11.26%
Solvency ratio	0.49	0.33	0.51
Interest rate coverage ratio	74.45	133.57	51.39
Asset to liability ratio	13.16	7.12	5.54
Asset to equity ratio	1.08	1.16	1.22
Debt – equity ratio	0.05	0.09	0.12
Current ratio	9.20	4.80	3.34
Acid – test ratio	7.14	3.64	3.07
Cityplans, Incorporated (Subsidiary)	**2015**	**2014**	**2013**
Earnings per share	₱0.02	₱0.01	₱0.02
Return on equity	0.95%	0.60%	0.81%
Solvency ratio	0.11	0.04	0.05
Asset to liability ratio	5.32	4.94	5.16
Asset to equity ratio	1.27	1.31	1.31
Current ratio	9.61	8.31	12.73
Acid – test ratio	10.05	7.24	11.46

Manner of Calculations:

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

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

Solvency ratio	=	$\frac{\text{Net income after tax + Depreciation expense}}{\text{Total liabilities}}$
Interest rate coverage ratio	=	$\frac{\text{Income before income tax + Depreciation expense + Interest expense}}{\text{Interest expense}}$
Asset-to-liability ratio	=	Total assets / Total liabilities
Asset-to-equity ratio	=	$\frac{\text{Total assets}}{\text{Total equity (net of net changes in fair value of available-for-sale financial assets and accumulated re-measurement on defined benefit plan)}}$
Debt-to-equity ratio	=	$\frac{\text{Notes and contracts payable}}{\text{Total equity (net of net changes in fair value of available-for-sale financial assets and accumulated re-measurement on defined benefit plan)}}$
Current ratio	=	Total current assets / Total current liabilities
Acid-test ratio	=	$\frac{\text{Cash and cash equivalents + Short-term cash investments + Current portion of installment contracts receivable + Current portion of other receivables + Available-for-sale financial assets}}{\text{Total current liabilities}}$

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

There are no known trends, events and uncertainties that have a material effect on liquidity.

2. Internal and External Sources of Liquidity

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

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

The estimated development cost of ₱82.31 million as of December 31, 2015 representing the cost to complete the development of real estate projects sold will be sourced through:

a) Sales of condominium and real estate projects
b) Collection of installment contracts receivable
c) Maturing short-term investments
d) Issuance of STCPs

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

There is no known trend, event, or uncertainties that have a material effect on the net sales or revenues or income.

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

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

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

There are no events nor any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Group.

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

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

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

Financial Condition (2015 vs. 2014)

a. Decrease in Cash and Cash Equivalents was primarily due to shift of placements to longer period investments and payment of contracts payable and construction costs.
b. Increase in Short-term Cash Investments was due to sales and collection of receivables and shift to longer period investments.
c. Increase in Installment Contracts Receivable was due to sales of real estate properties.
d. Net increase in Other Receivables was due to collection of advances paid for registration of titles and other expenses to customers.
e. Decrease in Real Estate Properties for Sale was due to sales of real estate properties.
f. Decrease in Investment in Trust Funds was due to maturity of plans.
g. Decrease in Other Current Assets was due to release of escrow deposit, while increase in Other Non-Current Assets was due to increase in unused input value-added tax (VAT) from purchase of a parcel of land and higher Meralco electric meter deposits.
h. Decrease in Real Estate Properties for Future Development was due to transfer of lot to investment properties and real estate properties for sale.
i. Increase in Investment Properties was due to purchase of a prime lot and additional development costs incurred for the construction of the building for lease.
j. Decrease in Property and Equipment was due to depreciation.
k. Net decrease in Accounts Payable and Accrued Expenses was substantially due to the release of customer's deposits from the 2014 sales of North Residences condominium units.
l. Decrease in Notes and Contracts Payable was due to partial settlement of contracts and notes payable.
m. Decrease in Income Tax Payable was due to higher prepaid taxes.
n. Net decrease in Pre-need and Other Reserves was due to higher rate of return on investment of trust fund.
o. Decrease in Deferred Tax Liabilities was due to realization of deemed cost adjustment.
p. Increase in Retained Earnings was primarily due to net income.
q. Decrease in Net Changes in Fair Value of Available-for-sale Financial Assets was due to decrease in market value per share.
r. Decrease in Accumulated Re-measurement on Defined Benefit Plan was due to re-measurement loss recognized on defined benefit obligation.
s. Increase in Treasury stock was due to increase in market value of investments of CPI to CDC.
t. Increase in Non-Controlling Interests was due to net income of subsidiary.

Financial Condition (2014 vs. 2013)

a. Increase in Cash and Cash Equivalents was due to collection and shift of funds to shorter-term investments.
b. Decrease in Short- Term Cash Investments was due to transfer of placements to shorter term investments and cash usage to fund real estate projects.
c. Decrease in Installment Contracts Receivable was due to collections.

d. Increase in Other Receivables was due to rent receivable arising from leases.
e. Increase in Real Estate Properties for Sale was due to cost of land and the launching of a new condominium project of the subsidiary, CLDI.
f. Decrease in Investment in Trust Funds was due to maturity of plans.
g. Increase in Other Assets was due to collections on the sale of North Residences deposited in escrow account and input VAT which arose from purchase of ot.
h. Increase in Real Estate Properties for Future Development was due to purchase of two prime lots by CDC and CLDI.
i. Increase in Investment Properties was due to additional development costs.
j. Decrease in Property and Equipment was due to depreciation and asset disposal.
k. Increase in Accounts Payable and Accrued Expenses was due to deposit in escrow account from sale of North Residences and collections of refundable electric meter deposits.
l. Decrease in Notes and Contracts Payable was due to partial payment of notes payable.
m. Decrease in Income Tax Payable was due to lower taxable income.
n. Increase in Pre-need and Other Reserves was due to decrease of return on investment of trust fund.
o. Decrease in Deferred Tax Liabilities was due to lower accounting income as compared to taxable income.
p. Increase in Capital Stock was due to declaration and issuance of 5% stock dividends.
q. Increase in Retained Earnings was due to net income.
r. Increase in Net Changes in fair value of AFS Investment was due to increase in value of available for sale financial assets.
s. Increase in Accumulated re-measurement on defined benefit plan was due to increase in value of retirement plan.
t. Decrease in Treasury stock was due to decrease in market value of investments of CPI to CDC.
u. Increase in Non-Controlling Interests was due to net income of subsidiary.

Financial Condition (2013 vs. 2012)

a. Decrease in Cash and Cash Equivalents was substantially due to shift of placements to Short-term Cash Investments.
b. Increase in Short-term Cash Investments was due to additional placements.
c. Decrease in Investment in Trust Funds was due to maturity of plans.
d. Decrease in Installment Contracts Receivable was due to collections.
e. Increase in Other Receivables was due to increase in advances from affiliates
f. Decrease in Real Estate Properties for Sale was due to sales.
g. Decrease in Real Estate Properties Held for Future Development was due to reclass of lot cost of the newly launched BPO (business process outsourcing office) to Investment Properties-net.
h. Increase in Investment Properties was due to set up of the new BPO office and reclassification of lot cost to investment property.
i. Decrease in Property and Equipment was due to sale of transportation equipment and depreciation.
j. Increase in Other Assets was due to increase in retirement plan assets.
k. Decrease in Accounts Payable and Accrued Expenses was due to payment.
l. Decrease in Notes and Contracts Payable was due to payment.
m. Increase in Income Tax Payable was due to higher taxable income.
n. Increase in Pre-need and Other reserves was due to decrease in earnings of trust fund.
o. Decrease in Deferred Tax Liabilities was due to lower financial income as compared to taxable income.
p. Increase in Capital Stock was due to stock dividends.
q. Decrease in Net Changes in Fair Value of Available-for-sale Investment was due to decrease in market value of AFS.
r. Increase in Retained Earnings was due to net income less dividends and other adjustments.
s. Increase in Accumulated Re-measurement on Defined Benefit Plan Reserve was due to increase in value of retirement asset.
t. Increase in Treasury Stock was due to increase in market value of investments of CPI to CDC.
u. Increase in Non-controlling Interest was due to net income of subsidiary.

Results of Operations (2015 vs. 2014)

a. Increase in Sales of Real Estate Properties was substantially due to sale of a lot by CDC.
b. Increase in Financial Income was due primarily due to higher interest earnings from short-term cash investments resulting in higher level of placements.
c. Decrease in Rent Income was due to termination of lease contracts resulting from sale of condominium units.
d. Increase in Other Income was primarily due to adjustment of fair market value of repossessed real estate properties.
e. Increase in Cost of Real Estate Sales was due to cost of land sold by CDC.
f. Increase in Operating Expenses was primarily due to higher personnel expenses, professional fees and light, power and water.
g. Increase in Financial expenses was due to higher finance charge and interest on notes payable and other charges.
h. Decrease in Other Expenses was due to loss from forfeiture.
i. Increase in Provision for Income Tax was due to higher taxable income.
j. Increase in Net Income was due to higher revenues.

Results of Operations (2014 vs. 2013)

a. Decrease in Sales of Real Estate was due to low inventory of the subsidiary, CLDI and CDC.
b. Decrease in Financial Income was due to decrease in interest income from real estate properties and money market placements.
c. Increase in Rent Income was due to rentals of the new BPO building.
d. Decrease in Other Income was due to low income on penalty charges.
e. Increase in Cost of Real Estate Sales was due to sale of lot of CLDI.
f. Decrease in Operating Expenses was primarily due to lower personnel expenses, professional fees, insurance expense, and membership dues.
g. Decrease in Financial expenses was due to the decrease in notes payable and lower interest rates.
h. Increase in other expenses was due to cancellation of sales recorded during the prior years.
i. Decrease in Provision for Income Tax was due to lower final tax on interest income.
j. Decrease in Net Income was due to lower revenues.

Results of Operations (2013 vs. 2012)

a. Decrease in Sales of Real Estate was due to low inventory of the subsidiary company.
b. Decrease in Financial Income was due to decrease in interest income from real estate properties as a result of lower level of receivable.
c. Increase in Rent Income was due to increase in units available for lease.
d. Increase in Other Revenues was due to the reversal of estimated development cost over the actual cost of a completed project.
e. Decrease in Cost of Sales was due to lower sales.
f. Increase in Operating Expenses was due to adjustment in staff benefits, professional fee and miscellaneous income.
g. Decrease in Financial Expenses was due to lower interest rates and partial settlement of notes and contracts payable.
h. Increase in Provision for Income Tax was due to higher taxable income.
i. Decrease in Net Income was due to lower revenues and higher provision for income tax.

Information on Independent Accountant

	External Audit Fees	
	2015	2014
Audit and Audit-Related Fees	**₱910,000**	₱775,000
Tax Fees	**–**	–
All Other Fees	**–**	–
Total	**₱910,000**	₱775,000

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.

Item VII. Financial Statements

Please refer to attached Audited Consolidated Financial Statements.

Item VIII. 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.

PART III - CONTROL AND COMPENSATION INFORMATION

Item IX. Directors and Executive Officers

1) Identify Directors and Executive Officers:

Name	Citizenship	Position(s) currently/ previously held with the Registrant	Term of Office (Year)	Period of Service	Age	Family Relationship
Washington SyCip	American	Chairman of the Board / Independent Director	1	06/13/01 to present	94	-
Stephen C. Roxas	Filipino	Chairman of the Executive Committee/ Director	1	07/01/97 to present	74	Husband of Helen Roxas, brother of Grace Liuson and Alice Gohoc
Andrew I. Liuson	Filipino	Vice Chairman of the Board / Director	1	01/16/08 to present	71	Husband of Grace Liuson
Grace C. Liuson	Filipino	Deputy Vice Chairman of the Board / Director	1	02/01/11 to present	70	Wife of Andrew Liuson and sister of Stephen Roxas and Alice Gohoc
Josef C. Gohoc	Filipino	President / Director	---	02/01/11 to present 01/14/11 to present	45	Nephew of Stephen Roxas and Grace Liuson; son of Alice Gohoc
Peter S. Dee	Filipino	Independent Director	1	1982 to present	74	---
Sabino R. Padilla, Jr.	Filipino	Director	1	2006 to present	80	---
Alice C. Gohoc	Filipino	Director	1	1996 to present	73	Sister of Stephen Roxas and Grace Liuson
Helen C. Roxas	Filipino	Director	1	1979 to present	66	Wife of Stephen Roxas
Emma A. Choa	Filipino	Executive Vice President / Treasurer	---	02/01/11 to present	55	---
Rudy Go	Filipino	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer	---	08/16/07 to present	56	---
Melita M. Revuelta	Filipino	Vice President, Assistant Corporate Secretary, alternate Compliance Officer & alternate Corporate Information Officer	---	01/16/08 to present	57	---
Eden F. Go	Filipino	Vice President	---	01/16/08 to present	63	---

Name	Citizenship	Position(s) currently/ previously held with the Registrant	Term of Office (Year)	Period of Service	Age	Family Relationship
Romeo E. Ng	Filipino	Vice President	---	01/10/05 to present	54	---
Melita L. Tan	Filipino	Vice President	---	02/16/04 to present	55	---
Emma G. Jularbal	Filipino	Vice President – Legal Affairs / Corporate Secretary	---	07/01/01 to present	59	---

a) Washington SyCip

Name of Office	Position	Date Assumed
Present position in other private institutions:		
Asian Eye Institute	Independent Director	September 22, 2000
Belle Corporation	Independent Director	July 1, 1996
Century Properties Group Inc.	Independent Director	July 11, 2011
Commonwealth Foods, Inc.	Independent Director	June 23, 2000
First Philippine Holdings Corporation	Independent Director	November 10, 1997
Highlands Prime, Inc.	Independent Director	January 4, 2002
Lopez Holdings Corporation	Independent Director	April 30, 1997
Lufthansa Technik Philippines, Inc.	Chairman	July 12, 2000
MacroAsia Corporation	Chairman	November 5, 1996
Metro Pacific Investment Corporation	Director Independent Director	August 4, 2011 to May 25,2012 May 25, 2012
Philippine Equity Management Inc.	Independent Director	October 26, 1998
Philippine Airlines, Inc	Director	February 11, 1997
Philippine Hotelier, Inc.	Independent Director	September 3, 1997
Philippine National Bank	Director	December 8, 1999
Philamlife, Inc.	Independent Director	April 26, 2001
The PHINMA Group	Independent Director	September 12, 1996
Realty Investment, Inc	Independent Director	April 28, 2005
Stateland Inc.	Independent Director	July 1, 1996
State Properties Corporation	Chairman	April 19, 1999
Steag State Power, Inc.	Chairman	March 26, 2004

b) Stephen C. Roxas

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director / Chairman of the Excom	July 1997
Cityland, Inc.	Director / Chairman of the Board	July 1997
Cityplans, Incorporated	Director / President	October 1988

c) Andrew I. Liuson

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director / Vice Chairman of Board	January 16, 2008
Cityland, Inc.	Director / Vice Chairman of Board	January 16, 2008
Cityplans, Incorporated	Director / Chairman of the Board	September 2006
Past position in other private institutions:		
City & Land Developers, Incorporated	Director / President	July 1997 - Feb. 2008
Cityland Incorporated	Director / President	July 1997 - Feb. 2008
Cityplans, Incorporated	Director / Exec. Vice Pres. / Vice Chairman of the Board	October 1988

d) Grace C. Liuson

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director / Deputy Vice Chairman of the Board	February 1, 2011
Cityland, Inc.	Director / Deputy Vice Chairman of the Board	February 1, 2011
Cityplans, Incorporated	Director / Exec. Vice President	September 2006
Past position in other private institutions:		
City & Land Developers, Incorporated	Director / President	Feb. 2008 – Jan. 2011
Cityland, Inc.	Director / President	Feb. 2008 – Jan. 2011
Cityplans, Incorporated	Director / Senior Vice Pres.	October 1988

e) Josef C. Gohoc

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director / President	Jan. 2011 / Feb. 2011
Cityland, Inc.	Director / President	Jan. 2011 / Feb. 2011
Past position in other private institutions:		
City & Land Developers, Incorporated	Senior Vice President / Treasurer	Jan. 2008 – Jan. 2011
Cityland, Inc.	Senior Vice President / Treasurer	Jan. 2008 – Jan. 2011

f) Sabino R. Padilla, Jr.

Name of Office	Position	Duration
Present position in other private institutions:		
Padilla Law Office	Partner	Past 5 years up to present
Apostolic Nunciature to the Phils.	Legal Counsel	- do -
Catholic Bishops Conference of the Philippines (CBCP) and various archdiocese, dioceses, & prelatures	Legal Counsel	- do -
Assoc. of Major Religious Superiors of the Phil.	Legal Counsel	- do -
Philippine Association of Religious Treasurers	Legal Counsel	- do -
Grace Christian College	Legal Counsel	- do -
Various Catholic religious orders, societies, & congregations for men and women (Dominicans, Augustinian, Franciscan, Columbans, Religious of the Virgin Mary, Daughters of Charity, Carmelite Sisters)	Legal Counsel	- do -
Bank of the Philippine Islands and its subs.	Legal Counsel	- do -
Ayala Land, Inc	Legal Counsel	- do -
State Investment Trust, Inc	Legal Counsel	- do -
Stateland Investment, Inc	Chairman of the Board / Legal Counsel	- do -
Mother Seton Hospital	Legal Counsel	- do -
Our Lady of Lourdes Hospital	Legal Counsel	- do -
St. Paul Hospital, Cavite	Legal Counsel	- do -
Various Catholic universities, colleges, and schools	Legal Counsel	- do -
Various Catholic universities, colleges, schools and foundations	Trustee	- do -
Cityland Development Corporation	Director	2006 to present

g) Peter S. Dee

Name of Office	Position	Duration
Present position in other private institutions:		
Asean Finance Corporation, Ltd.	Director	1991
Alpolac, Inc.	Director	1994
China Banking Corp.	Director	1997/1985
CBC Forex Corporation	Director / Chairman of the Board	1997
CBC Insurance Brokers, Inc.	Chairman of the Board	1998
CBC Properties & Computer Center, Inc.	Director / President	1984
GDSK Development Corp.	Director	1990
Hydee Mgt. & Resources Corp.	Director	1991
Kemwerke, Inc.	Director	1994
Makati Curbs Holdings Corporation	Director	2012 to present
Great Expectation Holdings, Inc.	Director / Chairman; President	Oct. 2012 to present
Commonwealth Foods, Inc.	Director	May 2013 to present
The Big D Holdings Corporation	Director / Chairman; President	April 2013 to present
Cityplans, Incorporated	Independent Director/ Chairman Compensation & Audit Committee /Member- Nominations Committee	1991/ 2002
Cityland Development Corporation	Independent Director/ Member – Audit Committe	October 1979/ August 2002
Cityland, Inc.	Independent Director	

h) Alice Gohoc

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director	July 1991
Cityland, Inc.	Director	Sept. 1996

i) Helen C. Roxas

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Director	June 1988
Cityland, Inc.	Director	January 1997
Cityplans, Incorporated	Director	October 1988

j) Emma A. Choa

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Executive Vice President / Treasurer	January 2015/ February 2011
Cityland, Inc.	Executive Vice President / Treasurer	January 2015/ February 2011

k) Rudy Go

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Senior Vice President	January 2015
Cityland, Inc.	Senior Vice President	January 2015

l) Melita M. Revuelta

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Vice President	January 2008
Cityland, Inc.	Vice President	January 2008

m) Eden F. Go

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Vice President	January 2008
Cityland, Inc.	Vice President	January 2008

n) Romeo E. Ng

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Vice President	January 2005
Cityland, Inc.	Vice President	January 2005

o) Melita L. Tan

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Vice President	February 2004
Cityland, Inc.	Vice President	February 2004

p) Emma G. Jularbal

Name of Office	Position	Date Assumed
Present position in other private institutions:		
City & Land Developers, Incorporated	Vice President – Legal Affairs / Corporate Secretary	July 2001 / January 2013
Cityland, Inc.	Vice President – Legal Affairs / Corporate Secretary	July 2001 / July 1997

2) Identify Significant Employees

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

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

During the past five years, there is no involvement in certain legal proceedings of any of the directors and executive officers in any court or administrative agency of the government.

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

organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item X. Executive Compensation

Executive Compensation Summary Table

Name	Position	2016 (estimate)
Josef C. Gohoc	Chief Executive Officer/President	x
Emma G. Jularbal	Vice President - Legal	x
Alvin Albert Anthony	Asst. Manager	x
Ma. Veronica S. Emaguin	Senior Manager	x
Melita L. Tan	Vice President	x
Salaries		₱5,487,372
Bonus		1,388,625
Others		140,400
Total (Top 5)		**₱7,016,397**
Salaries		₱18,117,957
Bonus		4,626,750
Others		752,400
All officers & directors as a group unnamed		**₱23,497,107**
Grand Total		**₱30,513,504**

Name	Position	2015 (actual)
Josef C. Gohoc	President	x
Emma G. Jularbal	Vice President - Legal	x
Melita Tan	Vice President	x
Patrocinio M. Pablo	AVP- RDD	x
Dorothy U. So	AVP- INT. AUDIT	x
Salaries		₱4,997,105
Bonus		1,304,638
Others		10,791,739
Total (Top 5)		**₱17,093,482**
Salaries		₱17,547,389
Bonus		4,558,322
Others		5,598,681
All officers & directors as a group unnamed		**₱27,704,392**
Grand Total		**₱44,797,874**

Name	Position	2014 (actual)
Josef C. Gohoc	Chief Executive Officer/President	X
Rufina C. Buensuceso	Executive Vice President	X
Melita L. Tan	Vice President	X
Emma G. Jularbal	Vice President - Legal	X
Patrocinio M. Pablo	AVP – RDD	X
Salaries		₱5,928,717
Bonus		1,490,853
Others		13,356,408
Total (Top 5)		**₱20,775,978**
Salaries		₱17,936,185
Bonus		4,446,106
Others		6,444,780
All officers & directors as a group unnamed		**₱28,827,071**
Grand Total		**₱49,603,049**

The Group has no standard arrangements with regards to the remuneration of its directors. In 2015, 2014, and 2013, the Board of Directors received a total of ₱16.75 million, ₱21.79 million and ₱27.75 million, respectively, including a total per diem of ₱0.61 million per annum (aggregate of CLDI and CDC) for the board meetings attended. Moreover, the Group has no standard arrangement with regards to the remuneration of its

existing officers aside from the compensation received nor any other arrangement with employment contracts, compensatory plan and stock warrants or options.

Item XI. Security Ownership of Certain Beneficial Owners and Management

a. Security Ownership of Record and Beneficial Owner owning more than 5% of the outstanding capital stock of the Registrant as of December 31, 2015:

Title of Class	Name, Address & Relationship with Issuer	Beneficial Owner & Relationship		Citizenship	No. of Shares Held	%
Unclassified common shares	Cityland, Inc. 3/F Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, Makati City - principal stockholder			Filipino	1,800,826,325	50.42%
Unclassified common shares	Stephen C. Roxas 1392 Campañilla St., Dasmariñas Village, Makati - director / chairman of executive committee	Lincoln Roxas Jefcon, Inc Obadiah Inc.	Immediate family sharing the same household Corporation of w/c record owner is a controlling shareholder	Filipino	263,132,018	7.36%
Unclassified common shares	Grace C. Liuson 2072 Lumbang cor. Cypress Dasmariñas Village, Makati - director / deputy vice chairman of the board	- NA -		Filipino	190,582,667	5.33%

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

Name	Position
Stephen C. Roxas	Chairman of the Board
Andrew I. Liuson	Vice Chairman of the Board
Grace C. Liuson	Deputy Vice Chairman of the Board
Josef C. Gohoc	President

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

c. Security Ownership of Management as of December 31, 2015:

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
Directors:					
Unclassified common shares	Washington SyCip Independent Director / Chairman of the Board	982	Direct	American	-
Unclassified common shares	Stephen C. Roxas Director / Chairman of Excom	301,776,733	Direct / Indirect	Filipino	8.45%
Unclassified common shares	Andrew I. Liuson Director / Vice Chairman of the Board	129,984,250	Direct / Indirect	Filipino	3.64%
Unclassified common shares	Grace C. Liuson Director / Deputy Vice Chairman of the Board	190,582,667	Direct	Filipino	5.34%
Unclassified common shares	Josef C. Gohoc Director / President	54,051,126	Direct / Indirect	Filipino	1.51%
Unclassified common shares	Peter S. Dee Independent Director	456,730	Direct	Filipino	0.01%
Unclassified common shares	Sabino R. Padilla, Jr. Director	65,242	Direct	Filipino	-
Unclassified common shares	Alice C. Gohoc Director	126,912,164	Direct / Indirect	Filipino	3.55%
Unclassified common shares	Helen C. Roxas Director	54,295,987	Direct	Filipino	1.52%

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
Executive Officers:					
Unclassified common shares	Emma A. Choa Executive Vice President / Treasurer	2,412,370	Direct	Filipino	0.07%
Unclassified common shares	Rudy Go Senior Vice President	1,627,964	Direct	Filipino	0.05%
Unclassified common shares	Melita M. Revuelta Vice President	151,512	Direct	Filipino	-
Unclassified common shares	Eden F. Go Vice President	60	Direct	Filipino	-
Unclassified common shares	Romeo E. Ng Vice President	2,088,317	Direct	Filipino	0.06%
Unclassified common shares	Melita L. Tan Vice President	546,366	Direct	Filipino	0.02%
Unclassified common shares	Emma G. Julabal Vice President- Legal / Corporate Secretary	3,150	Direct	Filipino	-
Unclassified common shares	Catherine Grace T. Wong Assistant Corporate Secretary	4,036,313	Direct	Filipino	0.11%

Note: The above security ownership of management consists of Unclassified Common Shares amounting to ₱868,991,933 which is equivalent to 24.33%.

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

Item XII. Certain Relationships and Related Transactions

1) Transactions of Registrants with Any Director, Executive Officer of the Registrant and Any Nominee for Election as a Director

There is no transaction (or series of similar transactions) with or involving the registrant or any of each subsidiary with a director, executive officer and a nominee for election as a director.

2) Related Party Transactions

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

There is an existing management contract with Cityland, Inc. (CI), its parent company, wherein CI provides management services for the business of the Registrant. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other six months prior to expiration. The management fee is based on a certain percentage of net income as mutually agreed upon by both parties. The management fees for 2015, 2014 and 2013 were waived by CI. There are no conditions attached to the waiver of these management fees.

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 Registrant 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 Registrant's financial position or financial performance.

Please refer to Note 25 – Related Parties Transactions of the Notes to Consolidated Financial Statements of the 2015 Audited Financial Statements which is incorporated in the Index to Financial Statements and Supplementary Schedules.

3) Parent of the Registrant

Cityland, Inc. owns 50.42% of the outstanding capital stock of the Registrant.

PART IV - CORPORATE GOVERNANCE

Item XIII. Compliance with Leading Practices on Corporate Governance

Please refer to attached Annual Corporate Governance Report.

PART V – EXHIBITS AND SCHEDULES

Item XIV. Exhibits and Reports on SEC Form 17-A

A. Exhibits - See accompanying Index to Exhibits.

The following exhibit is filled as a separate section of this report:

(18) Majority Owned Subsidiaries of the Registrant

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

B. Reports on SEC Form 17-C

Date Filed	Events Reported
March 19, 2015	Special meeting of BOD on authorization for issuance of Audited Financial Statements 2014
April 20, 2015	Notice of Annual Stockholders' Meeting
April 24, 2015	Special meeting of BOD on approval for retirement of Ms. Josie T. Uy as Vice President
May 29, 2015	Declaration of Cash dividends
June 03, 2015	Annual Stockholders' meeting
June 04, 2015	Organizational meeting of BOD
June 24, 2015	Certification of independent director- Washington Sycip
June 24, 2015	Certification of independent director- Peter Dee
July 02, 2015	Press release- Grand Central Residences
September 08, 2015	Special meeting of BOD on approval for renewal of Short Term Commercial Papers (STCPs)

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed in behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on APR 13 2016. MANILA

By:

Josef C. Gohoc
President / Chief Executive Officer Date: 04/13/16

Rudy Go
Senior Vice President / Chief Financial Officer/ Comptroller / Principal Accounting Officer Date: 04/13/16

Emma G. Julabal
Corporate Secretary Date: 04/13/16

SUBSCRIBED AND SWORN to before me this APR 13 2016 affiant(s) exhibiting to me their Social Security Numbers, as follows:

Name	Social Security No.
Josef C. Gohoc	33-0942784-4
Rudy Go	03-4602228-9
Emma G. Julabal	03-9243383-5

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Page No. 61
Book No. III
Series of 2016

ATTY. ALBERT ANTHONY H. OCAMPO
NOTARY PUBLIC FOR MANILA
UNTIL DECEMBER 31, 2016
APPOINTMENT NO. 57
IBP ROLL NO. 44239
IBP No. 07884/Lifetime/Laguna
PTR No. 4981779/1-13-2016/Manila
517-519 Quintin Paredes St., Binondo Manila

INDEX TO EXHIBITS

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(21)	Power of Attorney	*
(29)	Additional Exhibits	*

* These exhibits are either not applicable to the Company or require no answer.

ARTICLE IV
CERTIFICATE OF STOCK

Each stockholder whose share of stock has been paid in full shall be entitled to a stock certificate or certificates for such shares of stock.

The certificate of stock shall be in such form and design as may be determined by the Board of Directors. Every certificate shall be signed by the President and countersigned by the Secretary and shall be sealed with the Corporate seal and shall state on its face its number, the date of issue, the number of shares for which it was issued, and the name of the person in whose favor it was issued.

Each share of stock will represent a pro-rate equity in the assets of the Corporation and the rights represented in each and every share of stock shall be identical in all respects and shall be stated herein.

The stockholders shall have no pre-emptive right to subscribe to any issue or disposition of shares of any class and all the stockholders, their transferees and/or assignees take the shares subject to this condition.

ARTICLE V
TRANSFER OF SHARES OF STOCK

Shares of stock shall be transferred by delivery of the certificate endorsed by the owner or his attorney-in-fact or other person legally authorized to make the transfer, but no transfer shall be valid except as between the parties until the transfer is annotated in the books of the Corporation.

No surrendered certificate shall be cancelled by the Secretary before a new certificate in lieu thereof is issued, and the Secretary shall keep the cancelled certificate as a proof of substitution. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit of that fact and shall advertise the same in such manner as the Board may require, and shall give the Corporation a bond of indemnity, in the form and with the sureties satisfactory to the Board, in the sum at least double the par value of such certificate in lieu of the one alleged to be lost or destroyed, always subject to the approval of the Board, and provided further that the requirements of Republic Act No. 201 are first complied with.

ARTICLE VII
STOCKHOLDERS' MEETING

1. Place – All meetings of the stockholders shall be held at the principal office of the Corporation, unless written notices of such meetings should fix another place within the City of Manila.

2. Proxy – Stockholders may vote at all meetings either in person or by proxy. All proxies, voting trusts, and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the corporation's head office not later than five (5) working days before the date of the meeting. Before the deadline such proxies, voting trusts and other voting arrangements may be accepted or rejected by a special committee of inspectors if they do not have the appearance of prima facie authenticity.

3. Quorum – No stockholders' meeting shall be competent to decide any matter or to transact any business unless a majority of the subscribed capital stock is present or represented thereat, except in those cases in which the Corporation law requires the affirmative vote of a greater proportion.

4. Vote – Voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capital.

5. Annual Meeting – The annual meeting of the stockholders shall be held on the first Tuesday of June of each calendar year, when the Board of Directors shall be elected by plurality of votes by ballot system or viva voce.

Written notice of the annual meeting of the Corporation shall be sent to each registered stockholder at least fifteen (15) working days prior to the date of such meeting. Waiver of such notice may only be made in writing.

Only stockholders of record at the close of business hours thirty (30) calendar days prior to the date of such meeting shall be entitled to receive the notice of said meeting and to vote and be voted thereat.

6. Special Meeting – Special meetings of the stockholders may be called by the President at his discretion, or on demand of stockholders holding the majority of the subscribed capital stock of the Corporation.

   A written notice stating the day and place of the meeting and the general nature of the business to be transacted shall be sent to each stockholder at least fifteen (15) working days before the date of such special meeting; provided, that this requisite may be waived in writing by the stockholders.

   Only stockholders of record at the close of business hours thirty (30) calendar days prior to the date of such meeting shall be entitled to receive the notice of said meeting and to vote and be voted thereat.

7. Minutes – Minutes of all meeting of the stockholders shall be kept and carefully preserved as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law.

ARTICLE VIII

AMENDMENTS

The provisions of these By-Laws may be amended or repealed by a majority vote of the Board of Directors and the owners of at least a majority of the outstanding capital stock at a regular or special meeting called for the purpose.

The power to amend or repeal these By-Laws may be delegated to the Board of Directors in the manner provided by law.

EXHIBIT 18 SUBSIDIARIES OF THE REGISTRANT

Cityland Development Corporation has one (1) majority-owned subsidiary as follows:

Name	Jurisdiction
CITYPLANS, INC.	Philippines

COVER SHEET

SEC Registration Number

7	7	8	2	3						

COMPANY NAME

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

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
A C G R	C G F D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
fmsd@cityland.net	893-6060	n/a

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	1st Tuesday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	cdc_rg@cityland.net	893-6060	n/a

CONTACT PERSON's ADDRESS

3rd Floor 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 - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT
(with Consolidated Changes for the Year 2015)

1. Report is filed for the Year **2015**

2. Exact Name of Registrant as Specified in its Charter **CITYLAND DEVELOPMENT CORPORATION**

3. **2/F Cityland Condominium 10, Tower I, 156 H.V.dela Costa Street, Makati City, 1226**
   Address of principal office Postal Code

4. SEC Identification Number **77823**

5. _____ (SEC Use Only)
   Industry Classification

6. BIR Tax Identification No. **000-527-103-000**

7. **(02) 893-60-60**
   Registrant's telephone number, including area code

8. **N / A** .....
   Former name or former address, if changed since last report

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CITYLAND DEVELOPMENT CORPORATION

CITYLAND DEVELOPMENT CORPORATION

CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR) FOR THE YEAR 2015
UPDATED AS OF APRIL 14, 2016

A. BOARD MATTERS

1.a. Composition of the Board

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (If ID, state the relationship with the nominator)	Date first elected	Date last elected (If ID, state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as Director
Washington Sycip	ID	N.A.	Romeo E. Ng (no relation)	June 2001	June 2, 2015	Annual Meeting	14
Stephen C. Roxas	NED	N.A.	Catherine Grace Wong	January 1978	June 2, 2015	Annual Meeting	37
Andrew I. Liuson	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual Meeting	36
Grace C. Liuson	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual Meeting	36
Josef C. Gohoc	ED	N.A.	Catherine Grace Wong	January 2011	June 2, 2015	Annual Meeting	4
Sabino R. Padilla, Jr.	NED	N.A.	Catherine Grace Wong	June 2006	June 2, 2015	Annual Meeting	9
Peter S. Dee	ID	N.A.	Marianne M. Martin (no relation)	October 1979	June 2, 2015	Annual Meeting	36
Alice C. Gohoc	NED	N.A.	Catherine Grace Wong	September 1996	June 2, 2015	Annual Meeting	19
Helen C. Roxas	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual Meeting	36

References:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

b) SEC Form 17-C. Results of Annual Stockholders' Meeting dated June 2, 2015
<http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Result%20of%20ASM_06.02.2015.pdf>

c) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf>

1.c. Shareholding in the Company

Name of Director	Number of Direct Shares	Number of Indirect Shares / Through (name of record owner)	% of Capital Stock (Issued and Outstanding)
Washington Sycip (ID)	982	-	0.000027%
Stephen C. Roxas	263,132,018	38,644,715	8.4485
Andrew I. Liuson	109,328,504	20,655,746	3.6390
Grace C. Liuson	190,582,667	-	5.3355
Josef C. Gohoc	47,876,199	6,174,927	1.5132
Sabino R. Padilla, Jr.	65,242	-	0.0018
Peter S. Dee (ID)	456,730	-	0.0128
Alice C. Gohoc	123,649,781	3,262,383	3.5530
Helen C. Roxas	54,295,987	-	1.5201
TOTAL	**789,388,110**	**68,737,771**	**24.023927%**

Reference

a. Advisement Letter dated April 14, 2016
<http://www.citylandcondo.com/main/cg_acgr.html>

b. SEC Form 23-B and Public Ownership Report as of December 31, 2015
<http://www.citylandcondo.com/main/docs_pdf/CDC-Public%20Ownership%20Report%201.06.2016.pdf>

5. Voting Results of the Last Annual General Meeting

Name of Director	Votes Received
Washington Sycip (I)	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Stephen C. Roxas	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Andrew I. Liuson	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Grace C. Liuson	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Josef C. Gohoc	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Sabino R. Padilla, Jr.	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Peter S. Dee (I)	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Alice C. Gohoc	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Helen C. Roxas	2,689,885,064 votes representing 75.30% of the outstanding capital stock

Reference:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

6.b. Orientation and Education Program

(b) State any in-house training and external courses attended by Directors and Senior Management:

The Company's Board of Directors and key officers completed a training course on Corporate Governance conducted by Center for Training and Development, Inc. (CTDI) on November 25, 2015 as follows:

	Name of Director / Officer	*Position*
1.	Mr. Stephen C. Roxas	Director / Chairman of the Executive Committee
2.	Dr. Andrew I. Liuson	Director / Vice Chairman of the Board
3.	Mrs. Grace C. Liuson	Director
4.	Mr. Josef C. Gohoc	Director / President

	Name of Director / Officer	*Position*
5.	Atty. Sabino R. Padilla, Jr.	Director
6.	Mr. Peter S. Dee	Independent Director / Chairman of the Audit Committee
7.	Mrs. Alice C. Gohoc	Director
8.	Mrs. Helen C. Roxas	Director
9.	Ms. Emma A. Choa	Executive Vice President / Treasurer
10.	Mr. Rudy Go	Senior Vice President / Compliance Officer
11.	Mr. Eden F. Go	Vice President
12.	Mrs. Melita M. Revuelta	Vice President
13.	Mr. Romeo E. Ng	Vice President
14.	Mrs. Melita L. Tan	Vice President
15.	Atty. Emma G. Jularbal	Vice President – Legal Department / Corporate Secretary
16.	Mrs. Catherine Grace T. Wong	Assistant Corporate Secretary
17.	Ms. Dorothy U. So	Internal Audit Head

Note: Mr. Washington SyCip, Independent Director / Chairman of the Board of Cityland Development Corporation, has been granted by the Securities and Exchange Commission (SEC) an exemption from the requirements of SEC Memorandum Circular No. 20, Series of 2013 directing all key officers and members of the Board of publicly-listed companies to attend a program on corporate governance at least once a year.

Reference:

a) Advisement Letter dated December 2, 2015
(Corporate Governance Seminar for the year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20ADVISEMENT%20LETTER%20(CG%20Seminar%202015)%2012.02.15.pdf>

C. BOARD MEETINGS AND ATTENDANCE

2. Attendance of Directors

Position	Name	Date of Election	Number of Meetings Held during the Year (2015)	Number of Meetings Attended	%
Chairman / Independent Director	Washington Sycip	June 2, 2015	20	15	75%
Member	Stephen C. Roxas	June 2, 2015	20	20	100%
Member	Andrew I. Liuson	June 2, 2015	20	20	100%
Member	Grace C. Liuson	June 2, 2015	20	20	100%
Member	Josef C. Gohoc	June 2, 2015	20	20	100%
Member	Sabino R. Padilla, Jr.	June 2, 2015	20	20	100%
Independent Director	Peter S. Dee	June 2, 2015	20	17	85%
Member	Alice C. Gohoc	June 2, 2015	20	20	100%
Member	Helen C. Roxas	June 2, 2015	20	19	95%

Reference:

a) Advisement Letter dated January 4, 2016
(Attendance of Directors on Board Meetings for the year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC-Advisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf>

D. REMUNERATION MATTERS

3. Aggregate Remuneration

Remuneration Item	Executive Directors	Non – Executive Directors (other than Independent Directors)	Independent Directors
(a) Fixed and variable remuneration and Bonus	₱26,713,981		
(b) Per diem allowance	265,000		
(c) Stock Options and other financial instruments	N.A.		
(d) Others (specify)	N.A.		
Total	₱26,978,981		

Reference:

a) Advisement Letter dated April 14, 2016
<http://www.citylandcondo.com/main/cg_acgr.html>

5. Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer	Position	Total Remuneration (For the Year 2015)
Emma G. Jularbal	Vice President – Legal Affairs	₱10,750,711
Melita L. Tan	Vice President	
Patrocinio M. Pablo	Assistant Vice President – Research and Development Department	
Dorothy U. So	Assistant Vice President – Internal Audit	
Ma. Victoria S. De Guzman	Assistant Vice President – Collection Department	

Reference:

a) Advisement Letter dated April 14, 2016
<http://www.citylandcondo.com/main/cg_acgr.html>

E. BOARD COMMITTEES

2. Committee Members (Attendance and Number of Meetings Held)

(a) Executive Committee

Office	Name	Date of Appointment	Number of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (NED)	Stephen C. Roxas	October 1979	140 / 140	100%	36 years
Member (NED)	Andrew I Liuson	October 1979	140 / 140	100%	36 years
Member (NED)	Grace C. Liuson	October 1979	140 / 140	100%	36 years
Member (ED)	Josef C. Gohoc	January 2011	140 / 140	100%	4 years

(b) Audit Committee

Office	Name	Date of Appointment	Number of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (ID)	Peter S. Dee	August 2, 2002	4 / 4	100%	13 years
Member (NED)	Grace C. Liuson	August 2, 2002	4 / 4	100%	13 years
Member (NED)	Alice C. Gohoc	August 2, 2002	4 / 4	100%	13 years

(c) Nomination Committee

Office	Name	Date of Appointment	Number of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman	Jesus Go	August 2, 2002	2 / 2	100%	13 years
Member (ID)	Washington SyCip	August 2, 2002	2 / 2	100%	13 years
Member (NED)	Stephen C. Roxas	August 2, 2002	2 / 2	100%	13 years
Member (NED)	Andrew I. Liuson	August 2, 2002	2 / 2	100%	13 years

(d) Compensation and Remuneration Committee

Office	Name	Date of Appointment	Number of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (ID)	Washington SyCip	August 2, 2002	2 / 2	100%	13 years
Member (NED)	Stephen C. Roxas	August 2, 2002	2 / 2	100%	13 years
Member (NED)	Andrew I. Liuson	August 2, 2002	2 / 2	100%	13 years

References:

a) Advisement Letter dated January 4, 2016
(Attendance of Directors on Board Meetings for the year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC-Advisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf>

H. ROLE OF STAKEHOLDERS

3.c. Employees Training and Development Programs

The Company provides training and development programs to its employees for their continuing professional development and to improve their productivity.

The following are the Company's employee training and development programs for the year 2015, among others:

- Technical Group (Engineering Department);
- Legal Department; and
- Financial Management Services Department

Reference:

a) Advisement Letter dated January 4, 2016
<http://www.citylandcondo.com/main/docs_pdf/CDC-Advisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf>

I. DISCLOSURE AND TRANSPARENCY

1. Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percentage (%)	Beneficial Owner
Cityland, Inc.	1,800,826,325	50.4159	N.A.
Stephen C. Roxas	263,132,018	7.3666	N.A.
Grace C. Liuson	190,582,667	5.3355	N.A.

Reference:

a) SEC Form 23-B and Public Ownership Report as of December 31, 2015
<http://www.citylandcondo.com/main/docs_pdf/CDC-Public%20Ownership%20Report%201.06.2016.pdf>

3. External Auditor's Fee

Name of Auditor	Audit Fee	Non – Audit Fee
Sycip, Gorres, Velayo & Co.	₱910,000.00	N.A

Reference:

a) Advisement Letter dated April 14, 2016
<http://www.citylandcondo.com/main/cg_acgr.html>

7. Disclosure of Related Party Transactions (RPT)

RPT	Relationship	Nature	Value
2015 Audited Consolidated Financial Statements: Note 25. Related Party Transactions			
a) Sharing of expenses charged by (to) the Company	a) Parent company and subsidiaries	a) Transactions and account balances entered into in the normal course of business	a) Outstanding amounts in: 2015 Receivables= ₱-- Payables= ₱1,492,560 2014 Receivables= ₱3,192,155 Payables= ₱411
b) Existing management contract with Cityland, Inc. (CI)	b) Parent company and subsidiaries	b) CI provides management services to the Group. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other party six months prior to expiration.	b) The management fee is based on a certain percentage of net income as mutually agreed upon by both parties. The management fees for 2015, 2014 and 2013 were waived by CI. There are no conditions attached to the waiver of these management fees.

RPT	Relationship	Nature	Value
c) Shares of stock held by members of the Board of Directors (BOD)	c) Board of Directors (BOD)	c) Shares of stock held by members of the BOD	c) Number of shares 2015= 858,125,881 shares 2014= 861,863,592 shares
d) Shares of stock held by ultimate parent and affiliate	d) Parent company and affiliate	d) Shares of stock held by ultimate parent and affiliate	d) Number of shares 2015= 1,800,826,325 shares 2014= 1,800,826,325 shares
e) Retirement Plan of Employees	e) Ultimate parent company, parent company and subsidiaries (the Group)	e) The Group has a funded, noncontributory defined benefit plan, administered by trustee covering all of its permanent employees. The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan.	e) Company's share on the fair value of plan assets: 2015= ₱47.67 million 2014= ₱50.16 million
f) Compensation of key management personnel	f) Board of Directors and Senior Management	f) Compensation of key management personnel	f) Amounts of compensation: 2015= ₱22.70 million 2014= ₱18.77 million

Reference:

a) Advisement Letter dated April 14, 2016
<http://www.citylandcondo.com/main/cg_acgr.html>

J. RIGHTS OF STOCKHOLDERS

1.c. Stockholders' Rights, Dividends

	Declaration Date	Record Date	Payment Date
2015			
Cash Dividends of Php0.027/ share	May 28, 2015	June 26, 2015	July 22, 2015
Stock Dividends	-	-	-
2014			
Cash Dividends of Php0.03/ share	May 30, 2014	June 24, 2014	July 18, 2014
5% Stock Dividends	April 21, 2014	July 3, 2014	July 29, 2014
2013			
Cash Dividends of Php0.03/ share	June 4, 2013	June 19, 2013	July 15, 2013
5% Stock Dividends	April 25, 2013	July 4, 2013	July 30, 2013

Reference:

a) SEC Form 17-C. Declaration of Cash Dividends dated May 28, 2015
<http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Cash%20Dividend_2015.pdf>

1.d. Stockholders' Participation

1-7. *State, if any, the measures adopted to promote stockholder participation in the Annual / Special Stockholders' meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.*

Measure Adopted	Communication Procedure
As part of the Other Matter in the Agenda and after discussion of the items in the Agenda, the Chairman normally asks the stockholders present if there are other matter or business which they would like to present in the meeting. If necessary, the raised matter is normally discussed and / or answered to the satisfaction of the concerned stockholder.	

Reference:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

9.a.&b. Does the company observe a minimum of 21 business days for giving out notices to the AGM where items to be resolved by shareholders are taken up?

Yes.

a. Date of sending out notices:

		Number of Days
For 2015 Annual Stockholders' Meeting:	April 17, 2015	31
For 2014 Annual Stockholders' Meeting:	April 16, 2014	31
For 2013 Annual Stockholders' Meeting:	April 19, 2013	31

b. Date of Annual / Special Stockholders' Meeting:

2015 Annual Stockholders' Meeting:	June 2, 2015
2014 Annual Stockholders' Meeting:	June 3, 2014
2013 Annual Stockholders' Meeting:	June 4, 2013

References:

a) SEC Form 17C. Notice of Annual Stockholders' Meeting dated June 2, 2015
<http://www.citylandcondo.com/main/docs_pdf/17C%20CDC%20Notice%20of%20Stockholders%20Meeting%20(June%202,%202015).pdf>

b) SEC Form 20-IS. Preliminary and Definitive Information Statements
<http://www.citylandcondo.com/main/docs_pdf/CDC_DEFINITIVE_INFORMATION_STATEMENT.pdf>

10. State, if any, questions and answers during the Annual / Special Stockholders' Meeting.

There were no questions raised during the Annual Stockholders' Meeting.

References:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

b) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf>

11 - 23. Result of Annual / Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval and / or ratification of the following by the stockholders:			
• Minutes of previous meeting	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• President's Report	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• Election of Directors (including Independent Directors)	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• Appointment of external auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• Confirmation of all acts of the Board of Directors for the period covering January 1, 2014 through December 31, 2014 adopted in the ordinary course of business.	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-

24. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

For June 2, 2015 Annual Stockholders' Meeting, the result of the meeting was disclosed in the Philippine Stock Exchange on June 3, 2015.

This was also uploaded in the Company Website under Corporate Governance Section, Latest Disclosures.

References:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

b) SEC Form 17-C. Results of Annual Stockholders' Meeting dated June 2, 2015
<http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Result%20of%20ASM_06.02.2015.pdf>

c) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf>

f) Stockholders' Attendance

(i) Details of the Attendance in the Annual / Special Stockholders' Meeting Held:

At the Annual Stockholders' Meeting held on June 2, 2015, approximately over **2,689,885, 064** or **75.30%** of the total issued and outstanding 3,571,940,453 were represented in person and by proxy.

	Number of Shares
With Proxy	2,069,224,154
In Person	620,660,910
Total	2,689,885,064

Reference:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSSMs?

Yes. Professional Stock Transfer, Inc., a registered stock transfer agent of Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) counted and validated the above attendance during the Annual Stockholders' Meeting held on June 2, 2015. The Company's external auditors, SGV & Co., were present and observed that there were no dissenting and abstaining votes during the said meeting.

Reference:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

i) Definitive Information Statements and Management Report

	2015	2014	2013
Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	689 stockholders	707 stockholders	715 stockholders
Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by market participants/certain beneficial owners	May 12, 2015	May 13, 2014	May 14, 2013
Date of Actual Distribution of Definitive	May 12, 2015	May 13, 2014	May 14, 2013

	2015	2014	2013
Information Statements and Management Report and Other Materials held by stockholders			
State whether CD format or hard copies were distributed	CD format	CD format	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Yes. Upon written request, requesting stockholders were provided hard copies.	Yes. Upon written request, requesting stockholders were provided hard copies.	Yes. Upon written request, requesting stockholders were provided hard copies.

References:

a) Advisement Letter date June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

b) SEC Form 20-IS. Definitive Information Statement for the Year 2015
<http://www.citylandcondo.com/main/docs_pdf/CDC_DEFINITIVE_INFORMATION_STATEMENT.pdf>

Certified correct by:

RUDY GO
CITYLAND DEVELOPMENT CORPORATION
Senior Vice President / Compliance Officer

Date: April 14, 2016

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY MANILA) S. S.

SECRETARY'S CERTIFICATE

I, **EMMA G. JULARBAL**, subscribing under oath, hereby depose and state that:

1. I am the Corporate Secretary of **CITYLAND DEVELOPMENT CORPORATION**, a corporation duly organized and existing under Philippine laws with principal office address at 2F Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, Makati City.

2. At the special meeting of the Board of Directors held on December 14, 2015, at the address aforestated, the following resolution, among others, was passed and unanimously approved.

RESOLUTION NO. CM-41

"WHEREAS, under the Securities and Exchange Commission (SEC) Memorandum Circular No. 12, Series of 2014, publicly-listed companies are required to post in their website the Consolidated Changes in their Annual Corporate Governance Report (ACGR) containing all the updates and changes made in their ACGR for the whole year, within ten (10) days from the end of the second (2nd) to the fourth (4th) year after the initial submission of their ACGR;

RESOLVED, that after review and discussion, the Board of Directors hereby approves the Company's Consolidated Changes in the ACGR for the year 2015 covering updates and changes made from January 1 to December 31, 2015;

FURTHER RESOLVED, that the Compliance Officer and / or Alternate Compliance Officer, be, and as they are hereby authorized, to sign and execute any and all documents relative to the above;

RESOLVED FINALLY, as submission and compliance to the said requirements of SEC, the Board of Directors hereby authorizes the posting on the Company's website of the approved Consolidated Changes in ACGR for the year 2015, and to update the same if necessary, hereby confirming and ratifying whatever acts were done or to be done under the premises."

Done this day of JAN 05 2016 at MANILA.

EMMA G. JULARBAL
Corporate Secretary

SUBSCRIBED AND SWORN to before me in Makati City on JAN 05 2016, affiant personally appeared and exhibited her SSS ID with No. 03-9243383-5 and other competent evidence of identification.

Doc. No. 378;
Page No. 77;
Book No. II;
Series of 2016.

ATTY. ALBERT ANTHONY H. OCAMPO
NOTARY PUBLIC FOR MANILA
UNTIL DECEMBER 31, 2016
APPOINTMENT NO.: 57
IBP ROLL NO.: 64239
PTR No.: 3218565/1-4-2015/Manila
IBP No.: 07084/Lifetime/Laguna
517-519 Quintin Paredes St., Binondo Manila

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9)

Actual number of Directors for the year	Nine (9)

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (If ID, state the relationship with the nominator)	Date first elected	Date last elected (If ID, state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as Director
Washington SyCip	ID	N.A.	Romeo E. Ng (no relation)	June 2001	June 2, 2015	Annual meeting	14
Stephen C. Roxas	NED	N.A.	Catherine Grace Wong	January 1978	June 2, 2015	Annual meeting	37
Andrew I. Liuson	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual meeting	36
Grace C. Liuson	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual meeting	36
Josef C. Gohoc	ED	N.A.	Catherine Grace Wong	January 2011	June 2, 2015	Annual meeting	4
Sabino R. Padilla, Jr.	NED	N.A.	Catherine Grace Wong	June 2006	June 2, 2015	Annual meeting	9
Peter S. Dee	ID	N.A.	Marianne M. Martin (no relation)	October 1979	June 2, 2015	Annual meeting	36
Alice C. Gohoc	NED	N.A.	Catherine Grace Wong	September 1996	June 2, 2015	Annual meeting	19
Helen C. Roxas	NED	N.A.	Catherine Grace Wong	October 1979	June 2, 2015	Annual meeting	36

Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties and board responsibilities.

Corporate Governance Policy Summary

The Corporate Governance policy of Cityland Development Corporation (the Company) represents the rules, systems and processes that govern the performance of the Board of Directors (BOD) and Management of their respective duties and responsibilities. These rules as contained in the Revised Manual of Corporate Governance shall institutionalize the principles of good corporate governance in the entire organization.

The BOD and the Management of the Company believe that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

[1] Reckoned from the election immediately following January 2, 2012.

The BOD and the Management commit themselves to the principles and best practices of corporate governance as contained in the Revised Manual of Corporate Governance and acknowledge that the same shall guide the attainment of corporate goals.

The Corporate Governance policies of the Company are summarized as follows:

Board of Directors

The BOD is primarily responsible for the governance of the company. The Board sets the policies for the accomplishment of the corporate objectives and provides independent check on the Management. It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

The BOD formulates the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

Stockholders' Rights and Protection of Minority Stockholders' Interests

All stockholders, including minority stockholders are treated equally and without discrimination.

The Board respects the rights of the stockholders as provided for in the Corporation Code:

a) Right to vote on all matters that require their consent or approval;
b) Pre-emptive right to all stock issuances of the corporation;
c) Right to inspect corporate book and records;
d) Right to information;
e) Right to dividends; and
f) Appraisal right.

Other Stakeholders' Relations

The Company acknowledges the roles of different stakeholders in the attainment of its objectives and recognizes its obligations over them, as well.

The Company's customers, business partners, employees, creditors, government, communities, non-government organizations, media and the general public are valued and recognized by the Company as its success rests on the relationship with these stakeholders through their support and contribution to the Company.

Financial Reporting, Disclosures and Transparency

As a commitment to the standards of full disclosure and transparency, the Company consistently provides the stakeholders and general public of the substantial and material financial and operating information through timely and adequate disclosure filings to the respective regulatory agencies. Such information include among others, earning results and other financial reports, related party transactions, ownership structure, other operating information and material management actions which are fully disclosed in a timely manner as compliance to disclosure requirements under existing laws and regulations.

How often does the Board review and approve the vision and mission?

The vision and mission of the Company is being reviewed by the Board from time to time and as the need arises to affirm that these are still consistent with the corporate goals.

(b) Directorship in Other Companies

(i) Directorship in the Company's Group [2]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Stephen C. Roxas	Cityland, Inc. City & Land Developers, Incorporated Cityplans, Incorporated Cityads Incorporated Credit and Land Holdings, Inc.	Non-Executive Director / Chairman Non-Executive Director Non-Executive Director Non-Executive Director / Chairman Non-Executive Director / Chairman
Andrew I. Liuson	Cityland, Inc. City & Land Developers, Incorporated Cityplans, Incorporated Cityads Incorporated Credit and Land Holdings, Inc.	Non-Executive Director Non-Executive Director Non-Executive Director / Chairman Non-Executive Director Non-Executive Director
Grace C. Liuson	Cityland, Inc. City & Land Developers, Incorporated Cityplans, Incorporated Cityads Incorporated Credit and Land Holdings, Inc.	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Josef C. Gohoc	Cityland, Inc. City & Land Developers, Incorporated Cityads Incorporated	Executive Director Executive Director Executive Director
Peter S. Dee	Cityland, Inc. City & Land Developers, Incorporated Cityplans, Incorporated	Independent Director Independent Director Independent Director
Sabino R. Padilla, Jr.	City & Land Developers, Incorporated	Non-Executive Director/ Chairman
Alice C. Gohoc	Cityland, Inc. City & Land Developers, Incorporated Cityads Incorporated Credit and Land Holdings Inc.	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Helen C. Roxas	Cityland, Inc. City & Land Developers, Incorporated Cityplans, Incorporated Cityads Incorporated Credit and Land Holdings, Inc.	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director

[2] The Group is composed of the Ultimate Parent Company, subsidiaries and affiliates.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Washington SyCip	Belle Corporation	Independent Director
	First Philippine Holdings, Corp.	Independent Director
	Highlands Prime Inc.	Independent Director
	MacroAsia Corporation	Non-Executive Director / Chairman
	Philippine National Bank	Non-Executive Director
	Century Properties Group Inc.	Independent Director
	Lopez Holdings Corp.	Independent Director
	Metro Pacific Investments Corp.	Independent Director
Peter S. Dee	China Banking Corp.	Non- Executive Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its Group:

Director's Name	Name of the Significant Shareholder	Description of the Relationship
Stephen C. Roxas	Cityland, Inc. Grace C. Liuson	Stockholder and Director Sister
Andrew I. Liuson	Cityland, Inc. Stephen C. Roxas Grace C. Liuson	Stockholder and Director Brother-in-law Spouse
Grace C. Liuson	Cityland, Inc. Stephen C. Roxas	Stockholder and Director Brother
Josef C. Gohoc	Cityland, Inc. Stephen C. Roxas Grace C. Liuson	Stockholder and Director Uncle Aunt
Peter S. Dee	Cityland, Inc.	Director
Alice C. Gohoc	Cityland, Inc. Stephen C. Roxas Grace C. Liuson	Stockholder and Director Brother Sister
Helen C. Roxas	Cityland, Inc. Stephen C. Roxas Grace C. Liuson	Stockholder and Director Spouse Sister-in-law

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly-listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorship in Other Companies
Executive Director	*(Revised Manual of Corporate Governance: Article 3, Multiple Board Seats)* The optimum number of directorship (executive and non-executive) should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. The Chief Executive Officer ("CEO") and other executive directors are covered by a lower indicative limit for membership in other boards. A similar limit applies to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	
Non-Executive Director		
CEO		

(c) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct Shares	Number of Indirect Shares / Through (name of record owner)	% of Capital Stock (Issued and outstanding)
Washington SyCip (ID)	982	-	0.000027%
Stephen C. Roxas	263,132,018	38,644,715	8.4485
Andrew I. Liuson	109,328,504	20,655,746	3.6390
Grace C. Liuson	190,582,667	-	5.3355
Josef C. Gohoc	47,876,199	6,174,927	1.5132
Sabino R. Padilla, Jr.	65,242	-	0.0018
Peter S. Dee (ID)	456,730	-	0.0128
Alice C. Gohoc	123,649,781	3,262,383	3.5530
Helen C. Roxas	54,295,987	-	1.5201
TOTAL	**789,388,110**	**68,737,771**	**24.023927%**

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes ✓ No

Identify the Chairman and CEO:

Chairman of the Board	Washington SyCip
CEO / President	Josef C. Gohoc

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The principal role of the Chairman is to manage and provide leadership to the Board in the performance of its duties and responsibilities.	The role of the Chief Executive Officer (CEO) is to provide leadership to the business of the Company and manage it within the authorities delegated by the Board.
Accountabilities and Deliverables	*Accountabilities and Deliverables of the Chairman of the Board:* Accountabilities of the Chairman The Chairman shall be accountable for the proper leadership and management of the Board in its activities to foster the long-term success of the Company and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders. He shall also provide management to the Board in the formulation of the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Deliverables and Duties and Functions of the Chairman *Revised Manual of Corporate Governance: Article 3.C. The Chairman and the CEO* The Chairman shall have the following duties and functions: He shall preside at all meetings of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors may, from time to time, fix or delegate.	*Accountabilities and Deliverables of the Chief Executive Officer:* Accountabilities, Deliverables and Duties and functions of the CEO The CEO shall be accountable with the over-all conduct of business of the corporation. He shall be primarily responsible with the implementation of policies as authorized by the BOD in the conduct of the business of the Company. This includes managing credit, market, liquidity, operational, legal and other risks of the Company. He shall also have the following powers and responsibilities: *(Company Amended By-Laws: Article 3.3. President)* To preside at all meetings of the stockholders and of the BOD in the absence of the Chairman of the Board. To have direct and active management of the business and operations of the Company, conducting the same according to the orders, resolutions and instructions of the BOD and his own discretion whenever and wherever the same is not expressly limited by such orders, resolutions and instructions. To exercise general supervision over all other officers and employees of the

	Chairman	Chief Executive Officer
	Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary; Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; Maintain qualitative and timely lines of communication and information between the Board and Management.	Company, and appoint, and at his discretion remove or suspend, all employees, agents, and other subordinate personnel of the Company and prescribe their duties, and fix or change from time to time, their respective salaries and wages, and require guaranties or bonds in such amounts as he may determine to secure the faithful discharge by certain employees or agents of their official trust. To create, open and provide for the maintenance of such branches or agencies in the Philippines or in foreign countries and to appoint and vest authority in such officers and agents in said branches or agencies as the President deems expedient. To obtain loans overdrafts and credit facilities from any banking institution, company, partnership, or person in such amount and under conditions or stipulations as he deems convenient, and to secure its payment and its interests as well, the President is likewise authorized to hypothecate or pledge the real and personal properties of the corporation. To execute in behalf of the corporation all contracts and agreements which said corporation may enter into. To sign, endorse, and deliver all checks, drafts bills of exchange, promissory notes and orders of payment of sums of money in the name and in behalf of the corporation. To open bank accounts for the corporation with any banking institution in the City of Manila or in other cities or towns in the Philippines or in foreign countries; and to sign checks, receipts and any other instruments for withdrawal from said accounts. To submit an annual report of the operations of the corporation to the Board of Directors and at such other time as the latter may request, an annual report thereof to the stockholders at the annual meeting. To sign certificates of stock. To exercise such powers and perform such other duties as the Board of Directors may from time to time, fix or delegate. The President may delegate any of the above powers to any officer.

(c) Explain how the Board of Directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors plan for the succession of top key management positions through implementation of an effective process which includes appointment and selection of competent, professional, honest and highly-motivated management officers.

Revised Manual of Corporate Governance: Article 3.H. Internal Control Responsibilities of the Board

As part of the internal control mechanisms adopted by the Board in the performance of its oversight responsibilities over the Management, the Board's responsibility includes:

- Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Company's organizational and operational controls;
- Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
- Evaluation of proposed senior management appointments;
- Selection and appointment of qualified and competent management officers; and
- Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

The Management succession plan is being reviewed by the Board of Directors with the assistance of the Management through its Human Resources Department by examining the Company's current goals and direction to properly reflect the qualifications of the future Management appointees which the Company will need.

3) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the Board? Please explain.

Revised Manual of Corporate Governance: Article 3.D Qualifications of Directors

In addition to the qualifications for membership in the Board as provided for in the Corporation Code, Securities Regulation Code and other relevant laws, The Board provides for additional qualifications which include, among others, the following:

a) college education or equivalent academic degree;
b) practical understanding of the business of the Corporation;
c) membership in good standing in relevant industry, business or professional organizations; and
d) previous business experience.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. This is taken into account during the Nomination of the Directors through the Nomination Committee. Non-executive director/s of the Company has proven track record experience in the industry it belongs as evidenced by their business experience.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	The role of the Executive Director is to design, develop and implement strategic plans for their organization in a cost-effective and time-efficient manner.	The role of a non-executive director is to provide the Board of Directors objective criticism and advice in the matters of its activities. They provide an objective judgment to bear on issues of strategy, performance and resources including key appointments and standards of conduct. Non-executive directors provide general guidance and a different perspective on matters of concern.	The Company defines an independent director as 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. Independent directors protect the interests of all shareholders and ensure that any fraudulent and incompetent actions by the management do not go unnoticed. Independent directors are expected to be independent from the management and act as the trustees of shareholders. They are obligated to be fully aware of and question the conduct of organization on relevant issues.
Accountabilities and Deliverables	Accountabilities, Deliverables and Functions of the Executive Director The Executive Director is responsible for the day-to-day operation of the organization, including managing committees and staff and developing business plans in collaboration with the Board for the future of the organization. The Executive Director is accountable to the Chairman of the Board and reports to the board on a regular basis - quarterly, semiannually, or annually.	Accountabilities, Deliverables and Functions of the Non- Executive Director Non-executive directors are expected to focus on board matters and not be involved in executive directions or operations of the company. In so doing, they should provide an objective view of the company, distinct from its day-to-day operations.	Accountabilities, Deliverables and Functions of an Independent Director Independent Directors safeguard the interests of all shareholders. They also review the management's performance and make sure that financial information provided to shareholders is accurate and complete. They also ensure that an effective risk management system is in place. Independent directors therefore are appointed to bring to the Board:

	Executive	Non-Executive	Independent Director
	The Executive Director leads the organization and develops its organizational culture.		(a) independence (b) impartiality (c) wide experience (d) specialist knowledge.

Provide the company's definition of "independence" and describe the company's compliance to the definition.

As defined in the Revised Manual of Corporate Governance, independence is being free of any business or other relationship which could, or could reasonably perceived to; materially interfere with the exercise of one's judgment in carrying out his responsibilities.

The Company complies with this definition by ensuring that the Board of Directors is composed of at least two (2) independent directors: (1) Dr. Washington SyCip; and (2) Mr. Peter Dee, as per SRC Rule 38 and SEC Memorandum Circular No. 6, Series of 2009, Revised Code of Corporate Governance.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

In compliance with SEC Memorandum Circular No. 9, Series of 2011, the Company has implemented a term limit of five (5) consecutive years for independent directors. After the completion of the five (5) year service period, an ID can be elected for another period of five (5) consecutive years, after the "cooling-off" period of two (2) years, provided that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the company.

This term limit on independent directors is effective January 2, 2012.

4) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

There has been no change/s that happened in the composition of the Board during the years 2015 and 2014.

Name	Position	Date of Cessation	Reason
N.A.	N.A.	N.A.	N.A.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/ appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure.

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non – Executive Directors	In the selection and appointment of Board of Directors: executive, non-executive and independent, *(Amended Company By-Laws: Article II.1 Qualification and Election of Directors)* The Board of Directors shall be elected annually by stockholders owning or representing at least majority of the subscribed and outstanding capital stock of the Corporation and have a term of one (1) year and shall serve until the election and qualification of successors. *(Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, IV. Voting Securities and Principal Holders Thereof)* 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.	Criteria for the selection and appointment of Board of Directors: executive, non-executive and independent *(Amended Company By-Laws: Article II.1, Qualification and Election of Board of Directors)* All members of the Board of Directors were pre-screened by the Nomination Committee in accordance with the following qualifications: b) holder of at least one (1) share of stock of the Corporation; c) at least a college graduate or have sufficient experience in managing the business to substitute for such formal education; d) at least 21 years old; and e) proven to possess integrity and probity. *(Revised Manual of Corporate Governance: Article 3.D. Qualification of Directors)* In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board provides for additional qualifications which include, among others, the following: • College education or equivalent academic degree; • Practical understanding of the business of the Corporation; • Membership in good standing in relevant
(iii) Independent Directors	*(Amended Company By-Laws: Article II.7 Nomination and Election of Independent Directors)* (*(Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, Procedures for Nomination and Election of Independent Directors)* Nomination of independent directors shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by the	

Procedure	Process Adopted	Criteria
	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. Subject to pertinent existing laws, rule and regulations, the conduct of the election of the independent director shall be made in accordance with the standard election procedures of this By-laws. It shall be the responsibility of the Chairman of the meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting. Specific slot for the independent directors shall not be filled-up by unqualified nominee. In case of failure of election of independent director, the Chairman of the meeting call a separate election during the same meeting to fill up the vacancy.	industry, business or professional organizations; and • Previous business experience. *Independent Directors* In addition to the above criteria and qualifications to be elected as a director, an independent director to be nominated and elected should possess all qualifications to serve as an independent director of the Company, as provided for in Section 38 of SRC Code and its implementing rules. *(Definitive Information Statement: SEC Form 20-IS, Control and Compensation Information, Nominees for Election as Members of the Board of Directors for the ensuing term/ year)*

Procedure	Process Adopted	Criteria
b. Re-appointment		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	Members of the Board of Directors are elected annually during the stockholders' meeting. The members of the Board may be elected and nominated for re-election for another term of one (1) year provided that he/ she is still qualified under the qualifications of the Amended By-Laws, Revised Manual of Corporate Governance and existing laws, rules and regulations. *Independent Directors:* The above is applicable for independent directors, however, a term limit of five (5) years has been set for the re-election and appointment of independent directors in compliance with SEC Memorandum Circular No. 9, Series of 2011, effective January 2, 2012. An independent director who had served for five (5) consecutive years may be re-elected for another five (5) years, provided that he/ she had undergone the two (2) year "cooling off" period.	The same qualifications/ criteria in *letter a. Selection and Appointment* apply for the re-appointment or re-election of directors: executive, non-executive and independent. An additional criteria for the independent director who will be re-elected for another five (5) years after undergoing a 2-year "cooling off" period: b) The independent director concerned should have not engaged in any activity during the two (2)- year "cooling off" period that under existing rules disqualifies a person from being elected as ID in the company.
c. Permanent Disqualification		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	The Board of Directors shall be the body to review, evaluate and assess a director's continuing qualification as a member of the Board. The Board had laid down the grounds as enumerated in the next column for the disqualification of directors as member of the Board. A director, upon proof of the misconduct and with any final judgment or conviction of the grounds for disqualification, shall immediately be disqualified as a member of the Board.	*(Revised Manual of Corporate Governance: Article 3.E Disqualification of Directors)* The following shall be grounds for the permanent disqualification of a director (executive/non-executive/ independent): (i) Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code;(b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

Procedure	Process Adopted	Criteria
		(ii) By reason of misconduct, after hearing, permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities; Disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

Procedure	Process Adopted	Criteria
		(iii) Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; (iv) Adjudged by final judgment or order of Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any its rule, regulation or order; (v) Elected earlier as an independent director who becomes an officer, employee or consultant of the same corporation; (vi) Being judicially declared as insolvent; (vii) Guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above; (viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

Procedure	Process Adopted	Criteria
d. Temporary Disqualification		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	The Board of Directors shall be the body to review, evaluate and assess a director's continuing qualification as member of the Board. The Board had laid down the grounds as enumerated in the next column for the disqualification of directors as member of the Board. A director, upon proof of the misconduct and with any final judgment or conviction of the grounds for disqualification, shall immediately be disqualified as a member of the Board. A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	*(Revised Manual of Corporate Governance: Article 3.E Disqualification of Directors)* The following shall be grounds for temporary disqualification of a director (executive/non-executive/ independent): (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists; (ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election; (iii) Dismissal or termination for cause as director of Cityland Development Corporation covered by the Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination; (iv) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

Procedure	Process Adopted	Criteria
e. Removal		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	A member of the Board of Director may be removed upon the recommendation of the Nomination Committee based on the following criteria as enumerated in the following column.	The following are the criteria or grounds for a removal of a director as a member of the Board (executive, non-executive, independent): • He was finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions; • He was finally found by SEC or a court or other administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of the Securities Regulation Code, the Corporation Code, or any other law administered by SEC or BSP, or any rule, regulation or order of the SEC or BSP. • He was judicially declared to be insolvent; • He was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and • For independent director, if he becomes an officer or employee of the Corporation.
f. Re-instatement		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	A temporarily disqualified or suspended director may be re-instated as a member of the Board, provided that, within sixty (60) business days from such disqualification or suspension, the director concerned takes the appropriate action to remedy or correct the disqualification or suspension. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent and may or may not be re-instated or eligible to be a director again.	A director (executive, non-executive, independent) may be re-instated as a member of the Board of Directors if and when: b) He had taken appropriate action to remedy or correct his suspension or disqualification and has cleared himself of any involvement in the alleged

Procedure	Process Adopted	Criteria
		irregularity. c) He still possesses the qualifications of a director set forth in the Company By-Laws, Revised Manual of Corporate Governance and other existing laws, rules and regulations. d) He agreed to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations.
g. Suspension		
(i) Executive Directors; (ii) Non-Executive Directors; and (iii) Independent Directors	The rules and procedures of a suspension of a director are embodied in the Revised Manual of Corporate Governance under Disqualification of Directors and are also discussed in *letter c. Permanent disqualification and letter d. Temporary disqualification* above.	In addition to the criteria or grounds for suspension of a director as embodied in the Revised Manual of Corporate Governance under Disqualification of Directors, a member of the Board of Directors upon recommendation of the Nomination Committee may be suspended based on the following: • He refused to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. • Absence or no-participation for whatever reason/s for more than 50% of all meetings, both regular or special, of the Board of Directors during his incumbency, or any 12 month period during said incumbency. • Dismissal/ termination from directorship in another listed corporation for a cause. • Conviction that has yet become final.

5) Voting Result of the last Annual General Meeting (June 2, 2015)

Name of Director	Votes Received
Washington SyCip (ID)	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Stephen C. Roxas	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Andrew I. Liuson	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Grace C. Liuson	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Josef C. Gohoc	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Sabino R. Padilla, Jr.	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Peter S. Dee (ID)	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Alice C. Gohoc	2,689,885,064 votes representing 75.30% of the outstanding capital stock
Helen C. Roxas	2,689,885,064 votes representing 75.30% of the outstanding capital stock

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

New directors are oriented of the Company's background, corporate goals, organizational structure and business operations through the following:

d) Orientation and induction meeting by the Board of Directors as soon as the new director is elected; and

e) Briefing and presentation of written materials such as the Company's Corporate Governance Manual, previous minutes of meeting of the Board of Directors, most recent strategic and operating plan, annual report and corporate videos;

For the years 2015 and 2014, there is no new director which would entail an orientation program.

(b) State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years [3]:

The Company's Board of Directors and key officers completed a training course on Corporate Governance conducted by Center for Training and Development, Inc. (CTDI) on November 25, 2015 as follows:

	Name of Director/ Officer	*Position*
1.	Mr. Stephen C. Roxas	Director / Chairman of the Executive Committee
2.	Dr. Andrew I. Liuson	Director / Vice Chairman of the Board
3.	Mrs. Grace C. Liuson	Director
4.	Mr. Josef C. Gohoc	Director / President
5.	Atty. Sabino R. Padilla, Jr.	Director
6.	Mr. Peter S. Dee	Independent Director / Chairman of the Audit Committee
7.	Mrs. Alice C. Gohoc	Director
8.	Mrs. Helen C. Roxas	Director
9.	Ms. Emma A. Choa	Executive Vice President / Treasurer
10.	Mr. Rudy Go	Senior Vice President / Compliance Officer
11.	Mr. Eden F. Go	Vice President
12.	Mrs. Melita M. Revuelta	Vice President
13.	Mr. Romeo E. Ng	Vice President
14.	Mrs. Melita L. Tan	Vice President
15.	Atty. Emma G. Jularbal	Vice President – Legal Department / Corporate Secretary
16.	Mrs. Catherine Grace T. Wong	Assistant Corporate Secretary
17.	Ms. Dorothy U. So	Internal Audit Head

Note: Mr. Washington SyCip, Independent Director / Chairman of the Board of Cityland Development Corporation, has been granted by the Securities and Exchange Commission (SEC) an exemption from the requirements of SEC Memorandum Circular No. 20, Series of 2013 directing all key officers and members of the Board of publicly-listed companies to attend a program on corporate governance at least once a year.

3 Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director / Officer	Date of Training	Program	Name of Training Institution
Please refer to No.6.b. *Orientation and Education Program* above for the in-house training and external courses of the directors and senior management.			

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* **Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company**. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.	*Company Personnel Manual* An employee, as a condition of employment, accepts the responsibility of conducting himself at all times with complete honesty and in a manner which will not be in conflict with the best interests of the Company. The Company Personnel Manual enumerated the non-exclusive examples or conditions which are conflicts of interest. It will be the responsibility of the employee to: 1. Not participate in conflicts of interest. 2. Make full disclosure to the Company Management if such conflicts do exist. 3. Review with his supervisor activities which could result in conflicts, and before participating in any such activities, obtain written approval from the Executive Vice President/ President which will be based upon a report made to him by the supervisor of the employee. 4. Correct any existing conflicts within a period of time prescribed by the Management. It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee. There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.	

Business Conduct & Ethics	Directors	Senior Management	Employees
(b) Conduct of Business and Fair Dealings	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* • **Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company**. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company. • **Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.** A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in the Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation. • **Act judiciously.** Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.	*Company Personnel Manual* An employee, as a condition of employment, accepts the responsibility of conducting himself at all times with complete honesty and in a manner which will not be in conflict with the best interests of the Company. The Company Personnel Manual enumerated the non-exclusive examples or conditions which are conflicts of interest prohibited by the Company in the proper performance and conduct of business and fair dealings of the senior management and all employees.	

Business Conduct & Ethics	Directors	Senior Management	Employees
	• **Exercise independent judgment.** A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the Company.		
(c) Receipt of gifts from third parties	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* **Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company**. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.	*Company Personnel Manual* *Accepting money or substantial gifts or favors from an outside person, firm, agency or organization which has dealings or seeks to have dealings with the Company.* All Company officers and employees are prohibited from accepting gifts, fees, and commissions from clients in the course of duty. Gifts from clients have to be politely declined.	
(d) Compliance with Laws & Regulations	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* **Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.** A director should keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.	*Company Personnel Manual* The rules and regulations of the Company are incorporated in the provisions of the Personnel Manual as well as in such memoranda or circulars that may be issued by the Management or the Board of Directors from time to time. The executive officers, department heads and all employees have thoroughy familiarized themselves with the provisions of the Company's rules and regulations. Each employee has to be well informed of the contents of memoranda, circulars and other orders of the Company, especially those	

Business Conduct & Ethics	Directors	Senior Management	Employees
		pertaining to his own department. The department head is given the responsibility to keep his subordinates well-acquainted with and compliant to the Company rules and regulations and any changes thereof.	
(e) Respect for Trade Secrets/Use of Non-Public Information	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* **Observe confidentiality.** A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.	*Company Personnel Manual* *Divulging information about the Company, its plans or forecasts which is not public and before such information is released to the public.* No officer or employee is authorized to issue press release without prior written approval of the Management.	
(f) Use of Company Funds, Assets and Information	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* **Observe confidentiality.** A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.	*Company Personnel Manual* Official business matters and affairs should be kept in strict confidence and should not be divulged much less discussed with outsiders. Inquiries or requests for information should be referred to the Department Head for reply. Employees are strictly prohibited from bringing outside the Company's premises records, books, letters, forms and other Company property without the permission of the President/ Executive Vice President.	
(g) Employment & Labor Laws & Policies	The Board of Directors in the performance of its duties is to ensure the Company's faithful compliance with all applicable laws, regulations and best business practices, including employment and labor laws, practices and policies.	The Company continues to abide and comply with the existing labor laws and regulation, i.e. Minimum Wage Law and others rules with regards the employment, remuneration and mandatory benefits of its officers and employees. The company policies affecting the employment of senior management and employees are embodied in the Company Personnel Manual. This includes, among others, the policies on recruitment, selection of new employees, orientation of new employees, employment, promotion, resignation, work schedule and other office procedures.	
(h) Disciplinary action	The Company's policies and grounds for disciplinary actions affecting the Board of Directors are laid down in the Revised Manual of Corporate Governance, Article 3.E. Disqualification of Directors.	*Company Personnel Manual* The Management may suspend, remove or dismiss any Officer or employee for a just cause as provided for in this Manual or when authorized by existing laws upon proper application for clearance with the Department	

Business Conduct & Ethics	Directors	Senior Management	Employees
	Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director Members of the Board should act in the best interest of the Company in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Company towards sustained progress. A director should follow the norms of conduct as enumerated in the Revised Manual of Corporate Governance.	of Labor and Employment. Causes or offenses enumerated in the Company Personnel Manual will merit termination of the services of the employee found guilty besides the imposition of other penalties as may be determined by the Management. *Company Personnel Manual* The Officer or employee shall correct any existing conflicts of interest within a period of time prescribed by the Management. It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee. There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.	
(i) Whistle Blower	The Board of Directors shall ensure the protection of any reporting member of the board, officer or employee of any violations of any company rules and regulation and governmental laws. This is done through implementation of whistle blower policies wherein members of the Board, officer or employee are encouraged to speak up any problems within the Company without fear of retaliation.	*Company Personnel Manual* Any employee having proof of the dishonesty, negligence or disloyalty on the part of the Company's personnel should promptly report the matter, either verbally or in writing to his immediate supervisor or to any higher officer of the Company.	
(j) Conflict Resolution	*Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director* If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain	*Company Personnel Manual* The following are the procedures and responsibilities of the employee and the Management for conflict resolution: The senior management or employee should: 1. Not participate in conflicts of interest. 2. Make full disclosure to the Company Management if such conflicts do exist. 3. Review with his supervisor activities which could result in conflicts, and before participating in any such activities, obtain written approval from the EVP/ President which will be based upon a report made to him	

Business Conduct & Ethics	Directors	Senior Management	Employees
	financial advantage at the expense of the Corporation.	by the supervisor of the employee. 4. Correct any existing conflicts within a period of time prescribed by the Management. It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee. There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.	

2) *Has the code of ethics or conduct been disseminated to all directors, senior management and employees?*

Yes. The rules under the Personnel Manual are implemented through proper information to the Company personnel in the form of memoranda, circulars and other orders of the Company.

3) *Discuss how the company implements and monitors compliance with the code of ethics or conduct.*

Company Personnel Manual

The rules and regulations of the Company are incorporated in the following provisions of the Company Personnel Manual as well as in such memoranda or circulars that may be issued by the Management or the Board of Directors from time to time.

The executive officers, department heads and all employees have thoroughly familiarized themselves with the provisions of the Company's rules and regulations. Each employee has to be well informed of the contents of memoranda, circulars and other orders of the Company, especially those pertaining to his own department. The department head is given the responsibility to keep his subordinates well-acquainted with and compliant to the Company rules and regulations and any changes thereof.

4) *Related Party Transactions*

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	*(2015 Audited Consolidated Financial Statements: Note 25. Related Party Transactions)* Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form. The Group discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement. *(Revised Manual of Corporate Governance: Article 3.F.2H. Duties and Responsibilities of the Board)* The Board shall formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/ children/ siblings/ parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/ Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/ officers /5% or more shareholders may be involved.

Not applicable. The Company is not aware of any conflict of interest to which directors/ officers or 5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N.A.
Name of Officer/s	N.A.
Name of Significant Shareholders	N.A.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Revised Manual of Corporate Governance: Article3.H. Internal Control Responsibilities of the Board The control environment of the Company consists of (a) the Board which ensures that the Company is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts. The Company also has an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with, and to detect, determine and resolve any possible conflict of interest. The Board appoints an Internal Auditor to perform the audit function, and require him to report to the Audit Committee that allows the internal audit activity to fulfill its mandate.
Group	

5) Family, Commercial and Contractual Relations

(a) *Indicate, if applicable, any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company[4]:*

Not Applicable.

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N.A.	N.A.	N.A.

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N.A.	N.A.	N.A.

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N.A.	N.A.	N.A.

[4] Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

For the past three (3) years, there have been no conflicts or differences between the company and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Company & Stockholders	N.A.
Company and Third Parties	N.A.
Company & Regulatory Authorities	N.A.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Board meetings are scheduled and disseminated to the members of the Board at the beginning of the year.

Cityland Website: Corporate Governance Section, Board of Directors
<http://www.citylandcondo.com/main/corporate_governance.html#bodv>

a) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year (2015)	No. of Meetings Attended	%
Chairman/ Independent Director	Washington Sycip	June 2, 2015	20	15	75%
Member	Stephen C. Roxas	June 2, 2015	20	20	100%
Member	Andrew I. Liuson	June 2, 2015	20	20	100%
Member	Grace C. Liuson	June 2, 2015	20	20	100%
Member	Josef C. Gohoc	June 2, 2015	20	20	100%
Member	Sabino R. Padilla, Jr.	June 2, 2015	20	20	100%
Independent Director	Peter S. Dee	June 2, 2015	20	17	85%
Member	Alice C. Gohoc	June 2, 2015	20	20	100%
Member	Helen C. Roxas	June 2, 2015	20	19	95%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Not Applicable. There are no events during the year requiring a meeting of non-executive directors without the presence of the executive directors.

4) *Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.*

As per the Company amended By-Laws, a majority of the Directors shall be necessary at all meetings to constitute a quorum duly assembled as a Board.

- *Access to information*

(a) How many days in advance are board papers for board of directors meetings provided to the board [5]?

Board papers are prepared a week before the Board of Directors meetings.

(b) Do board members have independent access to Management and the Corporate Secretary?

Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information

Yes. The Board of Directors are given independent access to the Management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc.?

As stipulated in the amended By-Laws, the Corporate Secretary shall perform the following duties:

i. to keep full minutes of all meetings of the Board of Directors and of the stockholders;

ii. to keep the stock and transfer book and corporate seal, which he shall stamp on all documents requiring such seal of the Corporation;

iii. to fill and countersign all the certificates of stock issued, making corresponding annotations on the margin or stub of such certificates upon issuance;

iv. to give, or cause to be given, all notices required by law or by the By-Laws of the Corporation, as well as notices of all meetings of the Board of Directors and of the stockholders; and

v. to perform such other duties as may be prescribed by the Board of Directors or the President.

[5] Board papers consist of complete and adequate information about the matters to be taken in the board meetings. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Revised Manual of Corporate Governance: Article 3.L, The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should -

i. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation;
ii. Be loyal to the mission, vision and objectives of the Corporation;
iii. Work fairly and objectively with the Board, Management and stockholders;
iv. Have appropriate administrative and interpersonal skills;
v. If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
vi. Have a working knowledge of the operations of the Corporation;
vii. Inform the members of the Board, in accordance with the by-laws,of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
viii. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so; and
ix. Ensure that all Board procedures, rules and regulations are strictly followed by the members.

Revised Manual of Corporate Governance: Article 3.C, The Chairman and Chief Executive Officer: Chairman's Duties and Responsibilities

Item ii. Supervise the preparation of the agenda of the meeting *in coordination with the Corporate Secretary*, taking into consideration the suggestions of the CEO, Management and the directors;

(d) Is the Company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. The Corporate Secretary, being a lawyer, is trained in legal and secretarial practices.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ✓ No

Committee	Details of the procedures
Executive	*(Revised Manual of Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director)* He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.
Audit	

Committee	Details of the procedures
Nomination	*(Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information)* To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings. Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members are given independent access to Management and the Corporate Secretary. The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.
Compensation and Remuneration	
Others (specify)	

5) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedure	Details
(Revised Manual of Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director) A director in the performance of his duties and responsibilities should devote time and attention necessary in its proper and effective performance. A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation. This may include receiving external and independent professional advice.	*(Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information)* The members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice.

6) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There have been no change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the Company.

Existing Policies	Changes	Reason
N.A.	N.A.	N.A.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	*(2015 Audited Consolidated Financial Statements: Note 25, Related Party Transaction, Compensation of Key Management Personnel)* The Group has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan.	
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments	The Group does not have any arrangements for stock warrants or options offered to its employees.	
(6) Others (specify)	Not Applicable	Not Applicable

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-executive Directors is calculated.

Remuneration Policy	Structure of Compensation Package	How compensation is calculated
Executive Directors and Non-Executive Directors	Company Amended By-Laws: Article II.5. Compensation The Director shall be entitled to compensation, reasonable per diems and other benefits as such director, provided the same shall not exceed the limits set by the Corporation Code. Corporation Code of the Philippines (Batas Pambansa Bilang 68) *Sec. 30. Compensation of Directors.* - In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.	

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits- in kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Not Applicable. For the past three (3) years, there has been no change in the arrangement with regards to the remuneration of its directors.

Remuneration Scheme	Date of Stockholders' Approval
N.A.	N.A.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Fixed and variable remuneration and Bonus	₱26,713,981		
(b) Per diem allowance	265,000		
(c) Stock Options and other financial instruments	N.A.		
(f) Others (specify)	N.A.		
Total	₱26,978,981		

Other Benefits	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Advances	N.A.	N.A.	N.A.
(b) Credit granted	N.A.	N.A.	N.A.
(c) Pension Plan/s Contributions	N.A.	N.A.	N.A.
(d) Pension Plans, Obligations incurred	N.A.	N.A.	N.A.
(e) Life Insurance Premium	N.A.	N.A.	N.A.
(f) Hospitalization Plan	N.A.	N.A.	N.A.
(g) Car Plan	N.A.	N.A.	N.A.
(h) Others (specify)	N.A.	N.A.	N.A.
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Not applicable. The Group does not have any arrangements for stock rights, warrants or options offered to its directors, officers and employees.

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	No. of Equivalent Shares	Total % from Capital Stock
N.A.	N.A.	N.A.	N.A.	N.A.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are the subject to approval during the Annual Stockholders' Meeting:

Not Applicable. There have been no amendments or discontinuation of any incentive programs during the years 2015 and 2014.

Incentive Program	Amendments	Date of Stockholder's Approval
N.A.	N.A.	N.A.

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer	Position	Total Remuneration (For the Year 2015)
Emma G. Jularbal	Vice President – Legal Affairs	₱10,750,711
Melita L. Tan	Vice President	
Patrocinio M. Pablo	Assistant Vice President – Research and Development Department	
Dorothy U. So	Assistant Vice President – Internal Audit	
Ma. Victoria S. De Guzman	Assistant Vice President – Collection Department	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	1	3	0	None	***Functions, Key Responsibilities and Power of the Executive Committee*** The Board of Directors has vested upon the Executive Committee the management of the business and operations of the Company. The duties, functions and key responsibilities of the Executive Committee is to promulgate the operating policies that shall govern the affairs of the Company and to ensure that the Company's operations are managed in a cost-effective and time-efficient manner.		
Audit	0	2	1	Yes	***Functions of the Audit Committee*** (Revised Manual of Corporate Governance: Article 3K. Board Committees) a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss with the external	*(Audit Committee Charter: B. Purpose and Authority)* The Audit Committee, in the performance of its functions shall have the authority to conduct investigations into any matters within the scope of its responsibilities and obtain advice and assistance from outside existing legal, accounting, other advisors, as necessary.

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
					auditor the nature, scope and expenses of the audit. f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; *g)* Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security*;* h) Review the reports submitted by the internal and external auditors; i) Review the quarterly, half-year and annual financial statements before their submission to the Board; j) Coordinate, monitor and facilitate compliance with laws, rules and regulations; k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report; l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. ***Key Responsibilities of the Audit Committee*** (Audit Committee Charter) The key responsibilities of the Audit Committee includes overseeing the integrity		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
					of the company's financial statements, financial reporting and disclosures, the Company's systems of internal controls and financial reporting controls, performance of the Company's internal audit function, independent audit on the Company's financial statements and compliance with legal and regulatory requirements.		
Nomination	0	2	1	None	***Functions, Responsibilities and Powers of the Nomination Committee*** (Revised Manual of Corporate Governance: Article 3K. Board Committees) Review and evaluate qualifications of all persons nominated to the Board and other appointments that require Board approval, and assessment of the effectiveness of the Board's processes and procedures in the election or replacement of directors.		
Compensation and Remuneration	0	2	1	None	***Functions, Responsibilities and Powers of the Compensation and Remuneration Committee*** (Revised Manual of Corporate Governance: Article 3K. Board Committees) Establishes a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.		
Others (specify)	N.A.				N.A.		

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (NED)	Stephen C. Roxas	October 1979	140 / 140	100%	36 years
Member (NED)	Andrew I. Liuson	October 1979	140 / 140	100%	36 years
Member (NED)	Grace C. Liuson	October 1979	140 / 140	100%	36 years
Member (ED)	Josef C. Gohoc	January 2011	140 / 140	100%	3 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (ID)	Peter S. Dee	August 2, 2002	4/4	100%	13 years
Member (NED)	Grace C. Liuson	August 2, 2002	4/4	100%	13 years
Member (NED)	Alice C. Gohoc	August 2, 2002	4/4	100%	13 years

Disclose the profile or qualifications of the Audit Committee members.

Revised Manual of Corporate Governance: Article 3.K Board Committees
Audit Committee Charter: 3, Committee Structure and Composition

- The Audit Committee consists of three (3) members, one of whom is an independent director.
- The Chair of the Audit Committee is an independent director.
- The members have accounting and finance backgrounds.

Describe the Audit Committee's responsibility relative to the external auditor.

Audit Committee Charter: 5, External Audit

The Audit Committee shall ensure that the internal auditor and external auditor act independently from each other and shall monitor the coordination of efforts between the external and internal auditors.

- In the appointment and recommendation of the external auditor by the Board, the Audit Committee shall assess the independence and professional qualifications and competence of the external auditors. It shall also ensure that the external auditor shall comply with the applicable and proper accounting standards.
- Prior to the commencement of the audit, it shall discuss the nature, scope, and expenses of the audit.
- The Audit Committee shall ensure that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions.
- It shall ensure the completeness and timeliness of communications with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the Management, and other material issues that affect the audit and financial reporting.
- It shall also provide evaluation on the performance of external audit with regards the reappointment, resignation and rotation. Every external auditor-in-charge will only be allowed a maximum of five (5) audit year engagements. Such external auditor-in-charge may be allowed reappointment after three (3) years of cooling-off period.
- The Audit Committee shall also understand and perform any action in cases where there are any disagreements between the Management and the independent auditor. Findings of the external auditor shall also be evaluated for action of the Management.
- If any non-audit services will be performed, it shall evaluate and determine its scope of work and review the fees related to it.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman	Jesus Go	August 2, 2002	2/2	100%	13 years
Member (ID)	Washington SyCip	August 2, 2002	2/2	100%	13 years
Member (NED)	Stephen C. Roxas	August 2, 2002	2/2	100%	13 years
Member (NED)	Andrew I. Liuson	August 2, 2002	2/2	100%	13 years

(d) Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (ID)	Washington SyCip	August 2, 2002	2/2	100%	13 years
Member (NED)	Stephen C. Roxas	August 2, 2002	2/2	100%	13 years
Member (NED)	Andrew I. Liuson	August 2, 2002	2/2	100%	13 years

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Not Applicable

Office	Name	Date of Appointment	No. of Meetings Held	%	Length of Service in the Committee
Chairman	N.A	N.A	N.A.	N.A.	N.A.
Member (ED)					
Member (NED)					
Member (ID)					

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

There has been no change in any of the Board Committees during the year.

Name of Committee	Name	Reason
Executive	N.A.	N.A.
Audit	N.A.	N.A.
Nomination	N.A.	N.A.
Compensation and Remuneration	N.A.	N.A.
Others (specify)	N.A.	N.A.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	The Executive Committee, in the management of the business of the Company, has strictly monitored that the organizational structure, operating policies and strategic plans of the Company are in place and consistent with the corporate goals.	The following are the issues addressed by the Executive Committee: • sales strategies; • project developments;

Name of Committee	Work Done	Issues Addressed
	It has also ensured that day-to-day operations of the Company are managed in a cost-effective and time-efficient manner.	• lot acquistion; and • other operational matters and issues.
Audit	*Financial Report Review* For the years 2015 and 2014, the Audit Committee reviewed the reports submitted by the internal and external auditors including the quarterly, half-year and annual financial statements before their submission to the Board with particular focus on the following matters: • Any change/s in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards *Legal Compliance* For the years 2015 and 2014, the Audit Committee in the performance of its duties and responsibilities in assisting the Board ensured that the financial and non-financial reports as well as the organizational and operational controls of the Company are in compliance with tax, legal and regulatory requirements.	There has been no major issue/s addressed by the Audit Committee.
Nomination	For the years 2015 and 2014, the Nomination Committee had assessed the nomination and election process procedures of the Company.	There has been no major issue/s addressed by the Nomination Committee.
Compensation and Remuneration	*Remuneration Policy* For the years 2015 and 2014, the Compensation and Remuneration Committee have reviewed the remuneration policy of the Company semi-annually and after due evaluation affirmed and confirmed that the existing policy on remuneration of directors and officers of the Company is consistent with its policy, culture, strategy and the business environment in which it operates.	There has been no major issue/s addressed by the Compensation and Remuneration Committee.
Others (specify)	N.A.	N.A.

5) Committee Program

Provide a list of Programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	The Executive Committee shall further monitor that the organizational structure, operating policies and strategic plans of the Company are consistent with the corporate goals by reviewing these rules, plans and policies and seeing to it that day-to-day operations of the Company are managed in a cost-effective and time-efficient manner. The programs of the Executive Committee shall include the following matters: • sales strategies; • project developments; • lot acquistion; and • other operational matters and issues.	The following will be continuously addressed by the Executive Committee: • sales strategies; • project developments; • lot acquistion; and • other operational matters and issues.
Audit	The Audit Committee, in the performance of its duties, continues to improve its Annual Audit Plan by including a broader scope of management's activities for an improved corporate governance.	The Annual Audit Plan to be submitted to the Audit Committee will cover a broader scope of management's activities to address a stronger control mechanism in evaluating risk management effectiveness.
Nomination	The Nomination Committee will continue to evaluate and review the nomination process in the election of the board of directors to improve the related nomination and election program and policies.	This will address the issue on ensuring that qualified members of the board are elected to govern the corporation.
Compensation and Remuneration	The Compensation and Remuneration Committee for the improvement of the remuneration and compensation policy of its directors, officers and employees will further affirm and review if the existing rules and policies are consistent with the policy, culture and business environment the Company operates.	This continuous review of remuneration and compensation policy will address any possible deviation or violation from any existing laws and regulations.
Others (specify)	N.A.	N.A.

F. RISK MANAGEMENT SYSTEM

1. Disclose the following:

(a) *Overall risk management philosophy of the company;*

The BOD and Management of the Company, to ensure a high standard of best practice for the shareholders, identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operations and financial instability.

The Board's internal control responsibilities include ensuring that the control environment of the Company consists of organizational and procedural controls which are supported by effective management information and risk management reporting systems.

The Board oversees the risk management control system of the Company through the Audit Committee. This function includes oversight in the company's activities in the areas of credit, market, liquidity, operational, legal and other risks of the corporation.

The Audit Committee, as part of its oversight responsibilities shall also review the risk management policies to be promulgated and prepared by the Management.

In this regard, the Management is responsible in providing relevant information and assurance to the Audit Committee on the state of the Company's internal controls, risk exposures and risk management activities.

The Audit Committee will continually perform the following to assist in internal control and risk management:

- Review of internal auditor's evaluation of internal controls
- Evaluation of internal control issues raised by external auditors
- Assess the control environment including Information Technology systems and function.
- Evaluation of sufficiency and effectiveness of risk management processes and policies

With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process. A framework may also be set by the Audit Committee for fraud and risk prevention including whistle-blower program.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Audit Committee in the performance of its oversight functions provides the Board with a review and evaluation of the organizational and operational controls.

The internal audit, control, risk and compliance system for the years 2015 and 2014 is evaluated to be sound, in place and working effectively as attested by the Management through its President and the Internal Audit Department head and as reviewed by the Audit Committee.

(c) Period covered by the review;

The period covered by the review is for the years 2015 and 2014.

(d) How often the risk management system is reviewed and the director's criteria for assessing its effectiveness; and

The risk management system of the Company is being reviewed annually, and as the need arises through the Audit Committee.

Assessment of the risk management effectiveness:

With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process. The risks identified will be evaluated as to the degree of effect and impact of these risks to the operations of the Company based on the risk management policies and objectives of the Company which will provide assurance as to the effectiveness and soundness of the risk management system. A framework may also be set by the Audit Committee for fraud and risk prevention.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable.

2. Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Cityland Website: Corporate Governance Section, Risk Management
<www.cityland.net>
<http://www.citylandcondo.com/main/corporate_governance.html#rm>

Risk Exposure	Risk Management Policy	Objective
Credit Risk	The financial instruments which may be the subject of credit risk are the installment contracts receivables and other financial assets of the Company. The corresponding management strategies for the aforementioned risks are as follows: 1. The credit risk on the installment contracts receivables may arise from the buyers who may default on the payment of their amortizations. The Company manages this risk by dealing only with recognized, 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. 2. The credit risk on the financial assets of the Company such as cash and cash	Objective for all risk exposures: The objective of the Company is to identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operations and financial instability. The goal is to have risk exposures identified minimized through proper delivery of the risk management policies for any given risk exposure. This will be ensured through the following: 1. Conducting assessments of the economic and political situations of the country as

Risk Exposure	Risk Management Policy	Objective
	equivalents, short-term cash investments, financial assets at fair value through profit or loss and available for sale investments may arise from default of the counterparty. The Company manages such risks by its policy to 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.	well as new developments in the industry. The procedures involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources. 2. Maintaining our competitive edge by keeping up to date with the technological advances in the construction industry, improving our marketing strategies and continuously updating the skills of our personnel.
Refinancing Risk	The Company is primarily engaged in real estate development. Risk factor includes the Group's short-term borrowings which 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 improving and maintaining the acid-test and current ratios of the Company.	
Interest Rate Risk	The Company's financial instruments are: 1. The Company's financial assets mainly consist of installment contract receivables, cash and cash equivalents and short-term investments. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates. 2. For the financial liabilities, the Company only has short-term commercial papers which bear fixed interest rates, thus are not exposed to fluctuations in interest rates.	
Market Risk	This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments which rely their value on market factors are subject to market risk. The available-for-sale investments 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.	

Risk Exposure	Risk Management Policy	Objective
Liquidity Risk	This is the current and prospective risk to earnings or capital from a company's inability to meet it obligations when they come 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: 1. *Asset- Liability Management:* 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. 2. *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 counterparties. 3. *Excess Liquidity:* The Company maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations. 4. *Funding Flexibility:* The Company has an objective to maintain a balance between continuity of funding and flexibility through the use of STCPs. As such, the Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and a established record in accessing these markets.	
Economic Factors	The Company's business consists mainly of providing office and housing units in the Philippines and the results of its 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.	
Industry Outlook	The real estate 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. The Company believes that the industry is in the boom cycle.	

Risk Exposure	Risk Management Policy	Objective
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.	

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

The Companies within the Group operates in the same industry: the real estate. The risk management system as well as the risk management policies and objectives are the same as the ones enumerated and discussed above.

Risk Exposure	Risk Management Policy	Objective
Same as Item 2*) Risk Policy, a. Company* above since the companies within the Group operate within the same industry.		

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power:

Risk to Minority Shareholders
Insider Trading This risk is managed and controlled through timely and accurate disclosures to regulatory agencies. Any change in the shareholdings of the Company resulting from transactions entered into by the directors and key management officers, either by acquisition or disposal are reported to the SEC and PSE within five days from the date of the transaction. For the past five years up to present, there has been no case of insider trading involving the Company and its directors and management. The Company continues to adhere with existing government regulations against insider trading.
Lack of Control Minority shareholders may lack control over corporate decisions decided for the Company. They are, however, protected over any corporate decisions to be decided for the Company through the independent directors which are generally elected to the Board for the interests of all stockholders particularly the minority. This risk is also managed by ensuring that minority shareholders are given adequate and timely information on all matters of the business of the corporation.

3) Control System Set - up

(a) Company

Briefly describe the control system set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit Risk	The financial instruments which may be the subject of credit risk are the installment contracts receivables and other financial assets of the Company. The risk on these financial instruments are assessed through the following: • Monthly monitoring and reporting of the receivables and other financial assets of the Company which have been past due by the Financial Management and Services Department to the Management. • The monthly report of receivables monitoring is then analyzed and measured as to the risk involved based on the number of defaults of the clients. • Necessary actions, such as follow-ups, sending of notices and others are performed to ensure that the credit risk on these receivables are minimized, monitored and measured to be not in a material amount that will pose threat to the operations of the Company.	The corresponding management strategies, procedures and actions taken for the aforementioned risk are as follows: • The credit risk on the installment contracts receivables may arise from the buyers who may default on the payment of their amortizations. The Company manages this risk by dealing only with recognized, 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 credit risk on the financial assets of the Company such as cash and cash equivalents, short-term cash investments, financial assets at fair value through profit or loss and available for sale investments may arise from default of the counterparty. The Company manages such risks by its policy to 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.
Refinancing Risk	Refinancing risk is assessed through careful and proper scrutiny of debts and loans to be entered into by the company. The risk on the outstanding loans of the Company are also monitored and measured regularly with the current development in the market.	The Company is primarily engaged in real estate development. Risk Factors are: the moderately aggressive debt level of the Company's borrowings being short-term in nature increase 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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
		receivables, refinancing risk is greatly reduced. The Company manages such refinancing risks by improving and maintaining the acid-test and current ratios of the Company.
Interest Rate Risk	Financial assets and liabilities to be transacted by the Company are carefully evaluated as to its related interest rate risk. For the outstanding financial assets and liabilities of the Company, the risk on interest rate is assessed regularly through monthly monitoring of the related interest rate of these instruments in the current market.	The Company's financial instruments are: 1. The Company's financial assets mainly consist of installment contract receivables, cash and cash equivalents and short-term investments. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates. 2. For the financial liabilities, the Company only has short-term commercial papers which bear fixed interest rates, thus are not exposed to fluctuations in interest rates.
Market Risk	This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments which rely their value on market factors are subject to market risk. The available-for-sale investments 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 assessed, monitored and measured regularly through timely measurement of any gain/ loss resulting from changes in the market.	The available-for-sale investments 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 it obligations when they come due without incurring unacceptable losses. The Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and an established record in accessing these markets. The Company consistently assesses this liquidity risk through proper monitoring of the assets, liabilities and funding policies of the Company. Any risk measured in the current	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: • *Asset- Liability Management:* 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. • *Conservative Liability Structure:* Funding is widely diversified. There is little reliance on wholesale funding services or other credit-

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
	financial position of the Company is brought to the attention of the Management.	sensitive fund providers. The company accesses funding across a diverse range of markets and counterparties. • *Excess Liquidity:* The Company maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations. • *Funding Flexibility:* The Company has an objective to maintain a balance between continuity of funding and flexibility through the use of loans from banks and STCPs. As such, the Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and a established record in accessing these markets.
Economic Factors	The Company's business consists mainly of providing office and housing units in the Philippines and the results of its 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. Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.	External risk arising from the economic and political factors such as economic factors, industry outlook and competition are managed through the following: • Conducting assessments of the economic and political situations of the country as well as new developments in the industry. The procedures involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources. • Maintaining our competitive edge by keeping up to date with the technological advances in the construction industry, improving our marketing strategies and continuously updating the skills of our personnel.
Industry Outlook	The real estate 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. The Company believes that the industry	

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
	is in the boom cycle. Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.	
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. Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.	

(b) Group

Briefly describe the control system set up to assess, manage and control the main issue/s faced by the company:

The control system set up to assess, manage and control the main issue/ faced by the Group is the same as the Company since all companies within the Group operate within the same industry which is the real estate.

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Same as Item *3) a Company* above since the companies within the Group operate within the same industry.		

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Oversight of the risk management and internal control system	The Audit Committee will continually perform the following to assist in internal control and risk management: • Review of internal auditor's evaluation of internal controls • Evaluation of internal control issues raised by external auditors • Assess the control environment including IT systems and function. • Evaluation of sufficiency and effectiveness of risk management processes and policies With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process.
Internal Audit	Regular, i.e., monthly, quarterly, annual examination of the different areas of operations of the Company and immediate reporting of the results to the Management or Audit Committee. Evaluation of the key risk areas in the internal control and operational controls of the company and assessment of its possible threat.	The internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
Office of the Compliance Officer	Monitor and facilitate compliance with laws, rules and regulations and immediate reporting to the Board for any violations found.	Monitor compliance by the Company with the Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

As defined in the Revised Manual on Corporate Governance of the Company, internal control system is the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The internal audit annually submits a report to the Audit Committee attesting that the internal audit, control and compliance system of the Company is evaluated to be sound, in place and working effectively.

The Audit Committee, in turn, reviews this internal audit evaluation and reports the same to the Board of Directors.

(c) Period covered by the review;

The period covered by the review was for the years 2015 and 2014.

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

Internal control system is being reviewed yearly and from time to time as the need arises.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor / Auditing Firm	Reporting Process
The role of the internal audit is to provide an independent and objective assurance designed to add value to and improve the corporation's operations, and	The scope of work of internal audit involves the internal control, operational and	In-House	Mrs. Dorothy U. So	Audit Committee and President

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor / Auditing Firm	Reporting Process
help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.	financial activities of the Company.			

(b) Do the appointment and/or removal of the Internal Auditor or the accounting / auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes.

(Revised Manual of Corporate Governance: Article 3.K.i.f. Board Committees, Audit Committee)

(Audit Committee Charter: 4. Internal Audit)

It shall consider the appointment of an internal auditor: his qualifications and the terms and conditions of its engagement and removal.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

(Revised Manual of Corporate Governance: Article 3.K.i.l. Board Committees, Audit Committee)

Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

(Audit Committee Charter: 4. Internal Audit)

- The Audit Committee shall organize an internal audit department which shall directly report to the Committee.

f) It shall ensure the internal auditor's independence and adequacy of resources in carrying out its audit functions.

g) It shall ensure that the auditor are given unrestricted access to all reports, properties and personnel.

(d) Resignation, Re-assignment and Reasons

Not Applicable. There has been no resignation or re-assignment in the internal audit function for the years 2015 and 2014.

Name of Audit Staff	Reason
N.A.	N.A.

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	So far, audits were done by auditors within the schedule
Issues[6]	No major issues
Findings[7]	No major findings
Examination Trends	Actual witnessing, review and checking of the documents

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "implementation".

Policies & Procedures	Implementation
a) Ascertain that cash in banks reconciled with books, that debit/ credit memos were properly verified and taken up by books if necessary	Implemented
b) All collections are deposited on time and supported with Official Receipts and validated deposit slip	Implemented
c) Overdue accounts are properly monitored by collection group and sent with notices	Implemented
d) Revolving funds handled by different departments/ sections are intact and accurate	Implemented
e) Timely preparation of contracts	Implemented
f) To ascertain that loan principal and interest are paid on time	Implemented
g) Ocular inspection to check if the building projects are well-maintained	Implemented
h) Site inspection done to check on the progress of the construction	Implemented

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) *Preparation of an audit plan inclusive of a timeline and milestones;*
2) *Conduct an examination based on plan;*
3) *Evaluation of the progress in the implementation of the plan;*
4) *Documentation of the issues and findings as a result of the examination;*
5) *Determination of the pervasive issues and findings ("examination trends") based on single year result; and/or year-to-year results;*
6) *Conduct of the foregoing procedures on a regular basis.]*

[6] "Issues" are compliance matters that arise from adopting different interpretations.
[7] "Findings" are those with concrete basis under the company's policies and rules.

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Internal Auditors *Audit Committee Charter: 4. Internal Audit* The Audit Committee shall organize an internal audit department which shall directly report to the Committee. • It shall ensure that in the performance of its functions, the internal auditor is free from interference from outside parties. • It shall consider the appointment of an internal auditor: his qualifications and the terms and conditions of its engagement and removal. • It shall ensure the internal auditor's independence and adequacy of resources in carrying out its audit functions. • It shall ensure that the auditors are given unrestricted access to all reports, properties and personnel.	N.A.	N.A.	N.A.
External Auditor *Audit Committee Charter: 5. External Audit* To safeguard the independence of the external auditors, the Audit committee ensures the following: • In the appointment and recommendation of the external auditor by the Board, the Audit Committee shall assess the independence and professional qualifications and competence of the external auditors. It shall also ensure that the external auditor shall comply with the applicable and proper accounting standards. • Prior to the commencement of the audit, it shall discuss the nature, scope, and expenses of the audit.			

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
• The Audit Committee shall ensure that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions. • It shall ensure the completeness and timeliness of communications with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the Management, and other material issues that affect the audit and financial reporting. • It shall also provide evaluation on the performance of external audit with regards the reappointment, resignation and rotation. Every external auditor-in-charge will only be allowed a maximum of five (5) audit year engagements. Such external auditor-in-charge may be allowed reappointment after three (3) years of cooling-off period. • The Audit Committee shall also understand and perform any action in cases where there are any disagreements between the Management and the independent auditor. Findings of the external auditor shall also be evaluated for action of the Management. • If any non-audit services will be performed, it shall evaluate and determine its scope of work and review the fees related to it.			

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instructions on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

As attested by the Chairman and the President, the Company continues to comply with the SEC Code of Corporate Governance and that all directors, officers and employees of the Company have been given proper instructions on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure its compliance.

H. ROLE OF STAKEHOLDERS

1) *Disclose the company's policy and activities relative to the following:*

	Policy	Activities
Customers' welfare	The Company recognizes the rights of its customers and clients. Prompt attention and courtesy to the public and the clients are to be observed at all times by the Company personnel. A policy on the proper conduct towards clients and customers is embodied in the Company's Personnel Manual which was duly disseminated to the company personnel through memoranda, circulars and other orders of the Company. Customers' health, safety and rights are also ensured and safeguarded through proper governmental registrations and approvals of the Company's real estate projects designed for commercial or residential uses.	Governmental Approvals for the following with regards the projects offered by the Company: - Housing and Land Use Regulatory Board (HLURB) Registrations before offering the projects for sale - Department of Environment and Natural Resources (DENR) Environmental Compliance Certificates (ECC) Supporting data are shown in the company website under the Corporate Governance Section, Other Stakeholders' Relations, Customers. <http://www.citylandcondo.com/main/corporate_governance.html#bodv> <http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20HLURB%20Registrations.pdf>
Supplier/contractor selection practice	It is the Company's policy to conduct proper selection process for the suppliers and contractors of its real estate projects under development. An accreditation process is undertaken for every contractor who wishes to participate in the bidding of the Company's on-going project works to ensure that the contractor's practices and works passes the standards of the Company. Major contractors of the Company should be accredited by the Philippine Contractors Accreditation Board (PCAB).	Accreditation process is performed before accepting any offers from contractors with regards to the construction of its projects. This to ensure that the suppliers/ contractors will conform to the company's rules and standards. Major contractors selected by the company are accredited by the Philippine Contractors Accreditation Board (PCAB). Cityland Website: Corporate Governance Section, Other Stakeholders' Relations, Business Partners: Supplier / Contractor. <http://www.citylandcondo.com/main/corporate_governance.html#bodv> The Company does not allow any installation of unregistered / unlicensed computer software / hardware / programs. The Personnel Department issues a memorandum / circular from time to time to remind the employees

	Policy	Activities
		regarding the prohibition of installation of unlicensed computer programs
Environmentally friendly value-chain	Communities are valued by the Company by ensuring that the company's projects/ developments passed the environment compliance procedures of the government. This is evidenced by the Certificates issued by the DENR and Laguna Lake Development Authority (LLDA). Tree plantings are also supported by the Company to help contribute in environment-friendly works.	All the projects are approved to be environmentally safe and friendly by the government approval of ECC for all its on-going projects. Tree Plantings are conducted by the company to support environment friendly value-chain. Supporting data for the ECC and tree plantings are shown in the company website under the Corporate Governance Section, Other Stakeholders' Relations, Communities. <http://www.citylandcondo.com/main/corporate_governance.html#bodv> <http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20Environmental%20Compliance%20Certificates.pdf> <http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Certificate%20of%20Tree%20Planting/CDC%20Certificate%20of%20Tree%20Planting.pdf>
Community interaction	Interaction with other communities is also undertaken by the Company through its proper corporate foundations.	The Company has two corporate foundations implementing socially responsible programs: • Cityland Foundation, Inc. • Cityland for Social Progress Foundation, Inc. <http://www.citylandcondo.com/main/social_responsibility.html>
Anti-corruption programmes and procedures	Anti- corruption programmes are included in the Company Personnel Manual. *Accepting money or substantial gifts or favors from an outside person, firm, agency or organization which has dealings with the Company* All Company officers and employees are prohibited from accepting gifts, fees and commissions from clients, in the course of duty. Gifts from clients have to be politely declined. The Company also embodies its anti-corruption programmes and procedures in all its contracts with its contractors.	Anti-corruption programmes such as refusal of gifts from clients are contained in the Company Personnel Manual and are disseminated to all officers and employees through proper memoranda and circulars. All contracts entered into by the Company with its contractors also embody the anti-corruption programmes and policies of the Company.

	Policy	Activities
Safeguarding creditor's rights	The Company recognizes the rights of its creditors as evidenced by the Company's proper registration of its securities/ commercial papers for sale with the Securities and Exchange Commission (SEC) and Home Guaranty Corporation (HGC).	The Group's financial liabilities only include securities and notes properly registered with proper agencies such as the SEC and HGC. This registration of securities and notes with government agencies ensures the protection of the Company's creditors. Supporting data are disclosed in the company website under Corporate Governance section, Other Stakeholders Relations, Creditors. <http://www.citylandcondo.com/main/corporate_governance.html#bodv> <http://www.citylandcondo.com/main/docs_pdf/CDC%20PERMIT%20&%20ORDER%202015.pdf> <http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Creditors'%20Rights/CDC%20HGC%20Certificates%20of%20Guaranty.pdf>

2) *Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?*

Yes. The Corporate Social Responsibility Report of the Company is disclosed in its website.
<www.cityland.net>
<http://www.citylandcondo.com/main/social_responsibility.html>

3) *Performance-enhancing mechanisms for employee participation.*

(a) What are the company's policy for its employees' safety, health and welfare?

The Group recognizes the role of its employees in the good performance and success of the business of the Company. In return, the Company values the health, safety and welfare of its employees.

Benefits include medical assistance benefit, annual physical check-up, accident insurance, social benefits, loans and donations as needed, in addition to the work leaves and bonuses.

Company Personnel Manual

To give recognition to the Company's greatest asset, its human resources, the Company realizes that the best utilization and development of this asset is the key to continued success. The Company gives consideration to certain basic aims in regard to employees. These are:

a. To provide each employee the opportunity and stimulation for growth and development so that he will become increasingly effective in his job, and will also be prepared, in proportion to his ability, for greater responsibilities to enable the organization to be sustained by promotion from within;

b. To contribute to the economic security of employees by providing a safe work environment, and a fair wage for the job performed;
c. To maintain effective channels of communication to provide employees with adequate knowledge of the Company's objectives, activities, plans and progress. Each employee should know how his job contributes to the Company's objectives, what his duties and responsibilities are, to whom he is accountable, how he is performing in his job, advised of changes which will affect him in advance of the change, and to be fairly evaluated of his performance;
d. To encourage every employee to express freely his ideas and suggestions concerning the Company, its operations and activities, and to make maximum utilization of the employee's contributions;
e. To instill in each employee pride and confidence in the policies, products and continued progress of the Company.

(b) Show data relating to health, safety and welfare of its employees.

The company values its employees through provision of benefits which include medical assistance benefit, annual physical check-ups, accident insurance, semi-annual socials, loans and donations as needed, in addition to the work leaves and bonuses.

Supporting data are disclosed in the Cityland website: Corporate Governance Section, Other Stakeholder Relations, Employees.
<www.cityland.net>
<http://www.citylandcondo.com/main/corporate_governance.html#bodv>

(c) State the company's training and development programmes for its employees. Show the data.

The Company provides training and development programs to its employees for their continuing professional development and to improve their productivity.

The following are the Company's employee training and development programs for the year 2015, among others:

i. Technical Group (Engineering Department);
ii. Legal Department; and
iii. Financial Management Services Department

Reference:
Advisement Letter dated January 4, 2016
<http://www.citylandcondo.com/main/docs_pdf/CDC-Advisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf>

(d) State the company's reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.

It is the Company's reward/ compensation policy to give performance bonuses on account of the good performance of the Company by reaching the Company's yearly sales goal.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

Company Personnel Manual

Any employee having proof of the dishonesty, negligence or disloyalty on the part of the Company's personnel should promptly report the matter, either verbally or in writing to his immediate supervisor or to any higher officer of the Company.

The Company protects its employees as embodied in the Company Personnel Manual.

The Management upholds the "No Discrimination" policy towards its employees. All employees are given due respect regardless of race, creed, sex and socio-economic status.

It is also the Board of Directors policy to ensure the protection of any reporting member of the board, officer or employee of any violations of any company rules and regulation and governmental laws. This is done through implementation of whistle blower policies wherein members of the Board, officer or employee are encouraged to speak up any problems within the Company without fear of retaliation.

I. DISLOSURE AND TRANSPARENCY

1. Ownership structure

   (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percentage (%)	Beneficial Owner
Cityland, Inc.	1,800,826,325	50.4159%	N.A.
Stephen C. Roxas	263,132,018	7.3666%	N.A.
Grace C. Liuson	190,582,667	5.3355%	N.A.

Name of Senior Management	Number of Direct Shares	Number of Indirect Shares / Through (name of record owner)	% of Capital Stock
Not Applicable			
TOTAL			

2. Does the Annual Report disclose the following:

Key Risks	Yes
Corporate Objectives	Yes
Financial Performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/ commissioner	Yes (Up to 2011 Annual Report; starting 2012, the Corporate Governance Section in the SEC Form 17-A was deleted and incorporated in the SEC Annual Corporate Governance Report as per SEC Memorandum Circular No. 5, Series of 2013)
Number of board of directors/commissioners meetings held during the year	
Attendance details of each director/commissioner in respect of meetings held	
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

These items are disclosed in the previous Annual Reports of the Company under the Corporate Governance Section.

However, as mandated by SEC Memorandum Circular No. 5, Series of 2013, the Corporate Governance Section in the Annual Report (SEC Form 17-A) shall be deleted starting the Annual Report for the year 2012 and shall be disclosed in this Annual Corporate Governance Report.

3. External Auditor's fee

Name of Auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	₱910,000.00*	N.A.

*2015 Audit of Financial Statements

4. Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

The Company disseminates information through disclosures in the Philippine Stock Exchange (PSE) and the Philippine Securities and Exchange Commission (SEC), up-to-date uploading of information in its website (www.cityland.net) and company press releases on its current operations and projects.

5. Date of release of audited financial report:
For the 2015 Audited Financial Statements: April 14, 2016

6. Company Website

Does the company have a website disclosing up-to-date information about the following:

Business Operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	N.A.
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Not applicable. The above-enumerated items, as applicable, are disclosed in the Company's website, under the *Corporate Governance and Investor Relations Section*.
<www.cityland.net >
<http://www.citylandcondo.com/main/corporate_governance.html#bodv>
<http://www.citylandcondo.com/main/investor_relations.html>

7. Disclosure of Related Party Transactions (RPT)

RPT	Relationship	Nature	Value
2015 Audited Consolidated Financial Statements: Note 25. Related Party Transactions			
a) Sharing of expenses charged by (to) the Company	a) Parent company and subsidiaries	a) Transactions and account balances entered into in the normal course of business	a) Outstanding amounts in: 2015 Receivables= ₱-- Payables= ₱1,492,560 2014 Receivables= ₱3,192,155 Payables= ₱411
b) Existing management contract with Cityland, Inc. (CI)	b) Parent company and subsidiaries	b) CI provides management services to the Group. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other party six months prior to expiration.	b) The management fee is based on a certain percentage of net income as mutually agreed upon by both parties. The management fees for 2015, 2014 and 2013 were waived by CI. There are no conditions attached to the waiver of these management fees.
c) Shares of stock held by members of the Board of Directors (BOD)	c) Board of Directors (BOD)	c) Shares of stock held by members of the BOD	c) Number of shares 2015= 858,125,881 shares 2014= 861,863,592 shares
d) Shares of stock held by ultimate parent and affiliate	d) Parent company and affiliate	d) Shares of stock held by ultimate parent and affiliate	d) Number of shares 2015= 1,800,826,325 shares 2014= 1,800,826,325 shares
e) Retirement Plan of Employees	e) Ultimate parent company, parent company and subsidiaries (the Group)	e) The Group has a funded, noncontributory defined benefit plan, administered by trustee covering all of its permanent employees. The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan.	e) Company's share on the fair value of plan assets: 2015= ₱47.67 million 2014= ₱50.16 million
f) Compensation of key management personnel	f) Board of Directors and Senior Management	f) Compensation of key management personnel	f) Amounts of compensation: 2015= ₱22.70 million 2014= ₱18.77 million

When RPT are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Transactions entered into by the Company with related parties are disclosed to shareholders in the Company's annual report and annual audited financial statements. The disclosure includes the nature and extent of transactions with the affiliated and related parties.

For the past five years up to present, there has been no complaint, dispute or problem on related party transactions.

2015 Audited Consolidated Financial Statements: Note 25. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Group discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.

Revised Manual of Corporate Governance: Article 3.F.2. Duties and Functions of the Board

Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/ Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/ Special Stockholder's Meeting as set forth in its By-laws.

Quorum Required	Company Amended By-Laws: Article VII. Stockholders' Meeting, Section 3. Quorum The stockholder's meeting shall be competent to decide any matter or to transact any business, unless a majority of the outstanding capital stock is present or represented thereat, except in those cases in which the corporation law requires the affirmative vote of a greater proportion *(such as approval of 20% stock dividends, increase in capital stock and amended of the Articles of Incorporation which require at least 2/3 vote of the outstanding capital stock).*

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Votation
Description	Definitive Information Statement: SEC Form 20-IS At least majority of the outstanding capital stock of the Registrant is required for the approval of corporate acts such as approval of minutes of the Annual Stockholder's Meeting, appointment of external auditor and acts of the Management and of the Board of Directors relative to Annual report and related financial statements. However, at least 2/3 vote of the outstanding capital stock of the Registrant is required for the approval of the Board Resolution declaring stock dividends, increase in capital stock and amendment of Articles of Incorporation. The 'Ayes' and 'Nayes' are requested to raise their hands during the stockholders' meeting where they are counted by the Corporate Secretary. Methods by which votes will be counted: plurality of votes by ballot system or viva voce.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting set forth from those laid down in the Corporation Code.

Stockholders' Rights under the Corporation Code	**Stockholders' Rights not in the Corporation Code**
a) Right to vote on all matters that require their consent or approval;	N.A.
b) Pre-emptive right to all stock issuances of the Corporation;	
c) Right to inspect corporate books and records;	
d) Right to information;	
e) Right to dividends; and	
f) Appraisal right	

Dividends

	Declaration Date	**Record Date**	**Payment Date**
2015 *Cash Dividends of P0.027/ share* *Stock Dividends*	 May 28, 2015 -	 June 26, 2015 -	 July 22, 2015 -
2014 *Cash Dividends of P0.03/ share* *5% Stock Dividends*	 May 30, 2014 April 21, 2014	 June 24, 2014 July 3, 2014	 July 18, 2014 July 29, 2014

	Declaration Date	Record Date	Payment Date
2013			
Cash Dividends of P0.03/ share	June 4, 2013	June 19, 2013	July 15, 2013
5% Stock Dividends	April 25, 2013	July 4, 2013	July 30, 2013

(d) Stockholders' Participation

1. -7.State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measure Adopted	Communication Procedure
As part of the Other Matter in the Agenda and after discussion of the items in the Agenda, the Chairman normally asks the stockholders present if there are other matter or business which they would like to present in the meeting. If necessary, the raised matter is normally discussed and/or answered to the satisfaction of the concerned stockholder.	

8. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

(a) Amendments to the company's constitution

All shareholders are asked to actively participate in the amendment/s to the company's constitution through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAYE (disapproved).

(b) Authorization of additional shares

All shareholders are asked to actively participate in the authorization of additional shares through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAYE (disapproved).

(c) Transfer of all or substantially all assets, which in effect results in the sale of the company

All shareholders are asked to actively participate in corporate decisions through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAYE (disapproved).

9. Does the company observe a minimum of 21 business days for giving out notices to the AGM where items to be resolved by shareholders are taken up?

Yes.

a. Date of sending out notices:

	No. of days
For 2015 Annual Stockholders' Meeting: April 17, 2015	31
For 2014 Annual Stockholders' Meeting: April 16, 2014	31
For 2013 Annual Stockholders' Meeting: April 19, 2013	31

b. Date of Annual/Special Stockholders' Meeting:

2015 Annual Stockholders' Meeting: June 2, 2015
2014 Annual Stockholders' Meeting: June 3, 2014
2013 Annual Stockholders' Meeting: June 4, 2013

10. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

There were no questions raised during the Annual Stockholders' Meeting.

11. – 23. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval and / or ratification of the following by the stockholders:			
• Minutes of previous meeting	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• President's Report	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• Election of Directors (including Independent Directors)	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-
• Appointment of external auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-

Resolution	Approving	Dissenting	Abstaining
• Confirmation of all acts of the Board of Directors for the period covering January 1, 2014 through December 31, 2014 adopted in the ordinary course of business.	• 2,689,885,064 votes representing 75.30% of the outstanding capital stock	• -0-	• -0-

24. *Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:*

For June 2, 2015 Annual Stockholders' Meeting, the result of the meeting was disclosed in the Philippine Stock Exchange on June 3, 2015.

This was also uploaded in the Company Website under Corporate Governance Section, Latest Disclosures.

References:

a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

b) SEC Form 17-C. Results of Annual Stockholders' Meeting dated June 2, 2015
<http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Result%20of%20ASM_06.02.2015.pdf>

c) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf>

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

There are no modifications made in the stockholders' meeting regulations during the most recent year.

Modifications	Reason for Modification
N.A.	N.A.

(f) Stockholders' Attendance

(i) Details of the Attendance in the Annual/Special Stockholders' Meeting Held:

At the Annual Stockholders' Meeting held on June 2, 2015, approximately over **2,689,885,064** or **75.30%** of the total issued and outstanding 3,571,940,453 were represented in person and by proxy.

	Number of Shares
With Proxy	2,069,224,154
In Person	620,660,910
Total	2,689,885,064

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSSMs?

Yes. Professional Stock Transfer, Inc., a registered stock transfer agent of Securities and Exchange Commission (SEC) and Philippine Stocks Exchange (PSE) counted and validated the above attendance during the Annual Stockholders' Meeting held on June 2, 2015. The Company's external auditors, SGV & Co., were present and observed that there were no dissenting and abstaining votes during the said meeting.

Reference:
a) Advisement Letter dated June 5, 2015
(Annual Stockholders' Meeting for the Year 2015)
<http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf>

(iii) Do the company's common shares carry one vote for one share? If not disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

(Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, IV.1 Voting Securities and Principal Holders Thereof)

Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting.

(Company's Amended By-Laws: Article VII, Section 4. Vote)

Voting upon all questions at all meeting of the stockholders shall be by shares of stock and not per capital.

(Company Website: Corporate Governance Section, Stockholders' Rights and Protection of Minority Interests
<www.cityland.net>;
<http://www.citylandcondo.com/main/corporate_governance.html#bodv>)

Each share of stock entitles the person in whose name it is registered in the books of the Company to one vote.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Company's Amended By-Laws: Article VI. Section 2. Proxy All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Company's head office not later than five (5) working days before the date of the meeting within which period such proxies, voting trusts and other voting arrangements may be accepted or rejected by a special committee of inspectors if they do not have the appearance of prima facie authenticity.
Notary	N.A.

	Company's Policies
Submission of proxy	Company's Amended By-Laws: Article VI. Section 2. Proxy All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Company's head office not later than five (5) working days before the date of the meeting.
Several proxies	N.A.
Validity of proxy	Definitive Information Statement, SEC Form 20-IS: Proxy Form and Notice of Agenda This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by Management or the board of directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her intention to vote in person.
Proxies executed abroad	N.A.
Invalidated proxy Validation of proxy Violation of proxy	Company's Amended By-Laws: Article VI. Section 2. Proxy All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Company's head office not later than five (5) working days before the date of the meeting within which period such proxies, voting trusts and other voting arrangements may be accepted or rejected by a special committee of inspectors if they do not have the appearance of prima facie authenticity. Definitive Information Statement, SEC Form 20-IS: Proxy Form and Notice of Agenda This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by Management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her intention to vote in person. Revised Manual of Corporate Governance: Article 6.B, Stockholders' Rights and Protection of Minority Stockholders' Interests The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders are encouraged to personally attend such meetings.

	Company's Policies
	If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

(h) Sending of Notices

State the company's policies and procedures on the sending of notices of Annual/ Special Stockholders' Meeting.

Policies	Procedures
Policies and Procedures on Sending out Notices of Annual and Special Stockholders' Meeting Company's Amended By-Laws: Article VI. Section 5. Annual Meeting Written notice of annual meeting shall be sent to each registered shareholder at least fifteen (15) days prior to such meeting. Waiver of notices for annual and special meetings may only be made in writing. Only stockholders of record at the close of business hours thirty calendar days prior the date shall be entitled to receive the notice of said meeting and to vote and be voted thereat. Company's Amended By-Laws: Article VI. Section 5. Special Meeting For special meetings, written notice stating the day and place of meeting and the general nature of the business to be transacted shall be sent to each stockholder at least fifteen (15) working days before the date of such meeting.	

(i) Definitive Information Statements and Management Report

	2015	2014	2013
Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	689 stockholders	707 stockholders	715 stockholders
Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by market participants/certain beneficial owners	May 12, 2015	May 13, 2014	May 14, 2013
Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by stockholders	May 12, 2015	May 13, 2014	May 14, 2013
State whether CD format or hard copies were distributed	CD format	CD format	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Yes. Upon written request, requesting stockholders were provided hard copies	Yes. Upon written request, requesting stockholders were provided hard copies	Yes. Upon written request, requesting stockholders were provided hard copies

(j) Does the Notice of Annual/ Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorship in other listed companies) nominated for election/ re-election.	Yes

The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

The above items are disclosed in the Definitive Information Statement, SEC Form 20-IS.

2) Treatment of Minority Stockholders

a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Revised Manual of Corporate Governance: Article 6.B, Stockholders' Rights and Protection of Minority Stockholders' Interests All stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation. Company Website: <www.cityland.net> Corporate Governance Section, Stockholders' Rights and Protection of Minority Stockholders' Interests <http://www.citylandcondo.com/main/corporate_governance.html#bodv> All stockholders, including minority interests are treated equally and without discrimination.	Equal treatment and protection of minority interests are implemented through the following: • Ensuring that minority stockholders are properly communicated of information relating to the business of corporation and all items needing corporate actions in the stockholders' meeting. This is done through sending of Notices to all stockholders, including the minority stockholders and disclosing adequate and timely information to PSE and SEC and company website. • The rights of minority stockholders are protected through the independent directors which act in their interests in every actions of the Board for the Corporation.

b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. All stockholders including the minority or non-controlling stockholders are entitled to nominate and vote for board of directors.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company's external and internal communications are reviewed from time to time, as the need arises. This is being reviewed and approved by the Management.

The Committee in-charge with this responsibility is the Executive Committee.

2) *Describe the company's investor relations program including its communication strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.*

	Details
(1) Objectives	The objective of the company's investor relations program is to provide up-to-date information; financial and non-financial to all stakeholders to apprise them of the company's current condition and position in the market.
(2) Principles	The Company's principles for its Investor Relations Program are as follows: • Transparency • Materiality of disclosures • Accurate and timely information
(3) Modes of Communication	• Company Website- up to date uploading of business information: financial and non-financial • PSE and SEC disclosures • Press releases in newspapers
(4) Investors Relations Officer	Michelle Marcelino of FMSD Tel. (+632)893-6060 local 152 Fax (+632)892-8656 Email: stocks@cityland.net This is disclosed in the Company website, Investor Relations section, Investor Contacts. <www.cityland.net> <http://www.citylandcondo.com/main/investor_relations.html>

3) *What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers and sales of substantial portions of corporate assets.*

The Company's rules and procedures governing the acquisition of corporate control, mergers and sale of substantial portions of corporate assets shall cover the same rules and procedures involving other corporate decisions such as amendment of the Company's constitution and authorization of additional shares.

Written notice of the proposed corporate action and of the time and place of the stockholder's meeting at which the proposed corporate action is to be considered and decided through votation, will be sent and addressed to each stockholder at his place of residence as shown on the books of the corporation.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

Not applicable. There is no event such as acquisition of corporate control, mergers and sale of substantial portions of corporate asset that will need appointment of independent party to evaluate any fairness in the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Cityland Foundation, Inc. Programs: 1. To assist educational, cultural, charitable and humanitarian institutions by way of infrastructure, repairs, reconstruction, development, improvement of buildings, facilities and other structures and provide fixtures and other facilities for the benefit of the institution and its students, faculty, employees and guests.	a) Beneficiary of training center: CCT – Malungon Retreat and Training Center b) Beneficiary of faculty housing: Febias College of Bible c) Recipients of furniture and fixtures: • International Graduate School of Leadership • Dumaguete Christian Foundation, Inc. • Schuller Christian Foundation, Inc.
2. Scholarship fund for the support of financially challenged students. 3. To assist victims of typhoons, fire and other natural calamities by giving them food, clothing and cash as are needed by said victims to rehabilitate themselves.	Beneficiaries of Scholarship Fund are as follows: • Febias College of Bible • Cityland Foundation, Inc. (CFI) scholars Beneficiaries are as follows: • Operation Blessing Foundation, Inc. • Institutional for Foundational Learning
Cityland for Social Progress Foundation, Inc. Programs: 1. Feeding Program 2. Livelihood Training Program 3. Youth Development	Underprivileged children/ families within Metro Manila. Financial donation to Makati Gospel Church and Center for Community Transformation usually every Christmas time. Support and assistance to Center for Community Transformation's Kaibigan Community Center. Support and assistance to for the development of youth through camps, retreats and workshops in the following ministries: • Chosen for Life Change Ministry; and • Integrity Sunday School Ministry.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Self-Assessment Rating System	The Board in its governance of the Company shall be self-evaluated in terms of its performance with respect to the following criteria: • Board structure • Board duties and responsibilities • Board meetings attendance
Board Committees	Self-Assessment Rating System • Audit Committee Self-Assessment Worksheet As disclosed in the Company website: <http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Committees/Audit%20Committee%20Assessment%20Worksheet.pdf>	The Board committees shall be self-evaluated in terms of its performance of its respective duties and responsibilities as well as the effectiveness of its functions, as contained in its charter, as applicable.
Individual Directors	Self-Assessment Rating System	Individual directors shall be self-evaluated in terms of the performance of his duties and responsibilities (executive, non-executive and independent).
CEO/President	Semi-Annual Performance Evaluation by the Board of Directors	The President shall be evaluated of his performance in criteria involving the effective and efficient performance of his duties and responsibilities as delegated by the Board.

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violations or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions
Any willful violations or breach of the provisions contained in the corporate governance manual by any member of the Board of Directors, Management or employee of the Company shall after due notice, evaluation and review shall be subject to penalties and/or sanctions as may be imposed by the Board of Directors.	

CITYLAND

CITYLAND DEVELOPMENT CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Cityland Development Corporation** is responsible for the preparation and fair presentation of the consolidated financial statements which comprise the balance sheets as at December 31, 2015 and 2014, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

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

DR. WASHINGTON SYCIP
Chairman of the Board

JOSEF C. GOHOC
President / Chief Executive Officer

RUDY GO
Senior Vice President / Chief Finance Officer

Signed this 16th day of March 2016

SUBSCRIBED AND SWORN to before me this day of MAR 31 2016 affiant(s) exhibiting to me their Social Security Numbers or other competent evidence of identification, as follows:

Name	Type of Identification	Number
Dr. Washington SyCip	TIN	106-215-942
Josef C. Gohoc	SSS	33-0942784-4
Rudy Go	SSS	03-4602228-9

Doc No. 129
Page No. 27
Book No. IV
Series of 2016

ATTY. EMMA G. JULARBAL
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2016
APPOINTMENT NO.: M-264
IBP ROLL NO.: 33152
IBP NO.: 06547/Lifetime/PPLM
PTR No.: 5336156/1-21-2016/Makati
156 H.V. Dela Costa St., Makati City

Cityland Development Corporation and Subsidiaries

Consolidated Financial Statements
December 31, 2015 and 2014
and Years Ended December 31, 2015, 2014 and 2013

and

Independent Auditors' Report

A member firm of Ernst & Young Global Limited

SGV
Building a better working world

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Cityland Development Corporation

We have audited the accompanying consolidated financial statements of Cityland Development Corporation and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2015 and 2014, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

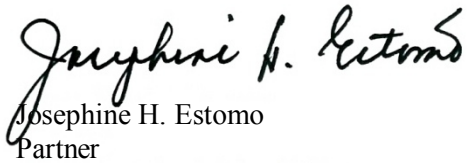
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cityland Development Corporation and its subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Josephine H. Estomo
Partner
CPA Certificate No. 46349
SEC Accreditation No. 0078-AR-3 (Group A),
February 14, 2013, valid until April 30, 2016
Tax Identification No. 102-086-208
BIR Accreditation No. 08-001998-18-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321634, January 4, 2016, Makati City

March 16, 2016

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱557,365,187**	₱1,180,267,398
Short-term cash investments (Note 4)	**2,189,900,000**	1,184,120,555
Current portion of installment contracts receivable (Note 6)	**717,947,296**	344,192,414
Current portion of other receivables (Note 7)	**52,785,215**	53,112,330
Real estate properties for sale (Note 8)	**1,378,393,226**	1,723,182,182
Current portion of investments in trust funds (Note 5)	**7,243,132**	5,094,513
Other current assets (Note 12)	**22,204,789**	45,693,991
Total Current Assets	**4,925,838,845**	4,535,663,383
Noncurrent Assets		
Installment contracts receivable - net of current portion (Note 6)	**1,029,612,014**	1,032,056,058
Other receivables - net of current portion (Note 7)	**7,188,365**	4,633,133
Investments in trust funds - net of current portion (Note 5)	**30,087,353**	32,660,837
Real estate properties held for future development (Note 9)	**822,007,622**	1,247,443,845
Investment properties (Note 10)	**1,862,677,817**	1,334,939,913
Property and equipment (Note 11)	**14,044,080**	18,335,625
Retirement plan assets (Note 23)	**17,248,330**	19,338,979
Other noncurrent assets (Note 12)	**104,941,025**	77,307,101
Total Noncurrent Assets	**3,887,806,606**	3,766,715,491
TOTAL ASSETS	**₱8,813,645,451**	₱8,302,378,874
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of accounts payable and accrued expenses (Note 13)	**₱211,852,354**	₱222,721,353
Notes and contracts payable (Note 14)	**1,187,950,000**	1,327,800,000
Income tax payable	**34,680,456**	38,933,721
Current portion of pre-need and other reserves (Note 5)	**2,733,761**	1,686,723
Total Current Liabilities	**1,437,216,571**	1,591,141,797
Noncurrent Liabilities		
Accounts payable and accrued expenses - net of current portion (Note 13)	**68,500,778**	59,570,075
Pre-need and other reserves - net of current portion (Note 5)	**47,845,484**	53,318,856
Retirement benefits liability (Note 23)	**5,292,891**	4,890,875
Deferred income tax liabilities - net (Note 24)	**162,138,715**	169,586,821
Total Noncurrent Liabilities	**283,777,868**	287,366,627
TOTAL LIABILITIES	**1,720,994,439**	1,878,508,424

(Forward)

	December 31	
	2015	2014
Equity		
Attributable to Equity Holders of the Parent Company		
Capital stock - ₱1 par value (Note 15)		
Authorized - 4,000,000,000 shares		
Issued - 3,573,878,400 shares held by 686 equity holders in 2015 and 691 equity holders in 2014	**₱3,573,878,400**	3,573,878,400
Additional paid-in capital	**7,277,651**	7,277,651
Net changes in fair values of available-for-sale financial assets (Note 12)	**1,102,540**	1,768,846
Accumulated re-measurement on defined benefit plans - net of deferred income tax effect (Note 23)	**(16,911,507)**	(14,011,632)
Retained earnings (Note 15)	**2,644,809,719**	1,997,774,818
Treasury stock - 4,021,067, at cost (Note 15)	**(31,157,595)**	(31,150,762)
	6,178,999,208	5,535,537,321
Non-controlling interests (Note 16)	**913,651,804**	888,333,129
Total Equity	**7,092,651,012**	6,423,870,450
TOTAL LIABILITIES AND EQUITY	**₱8,813,645,451**	₱8,302,378,874

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUE			
Sales of real estate properties	**₱2,371,262,489**	₱1,152,448,392	₱1,168,719,804
Financial income (Note 20)	**284,515,478**	277,948,455	369,098,980
Rent income (Note 10)	**83,257,768**	87,068,104	32,440,172
Other income (Note 22)	**98,004,319**	65,753,555	149,816,279
	2,837,040,054	1,583,218,506	1,720,075,235
EXPENSES			
Cost of real estate sales (Note 8)	**1,422,019,784**	713,944,519	640,070,218
Operating expenses (Note 17)	**340,551,414**	291,124,173	382,030,316
Financial expenses (Note 21)	**7,998,261**	6,866,490	26,078,104
Other expenses (Note 22)	**30,389,630**	33,448,609	25,096,676
	1,800,959,089	1,045,383,791	1,073,275,314
INCOME BEFORE INCOME TAX	**1,036,080,965**	537,834,715	646,799,921
PROVISION FOR INCOME TAX (Note 24)	**260,310,532**	120,176,163	127,274,208
NET INCOME	**₱775,770,433**	₱417,658,552	₱519,525,713
Attributable to:			
Equity holders of the Parent Company	**₱739,915,065**	₱370,514,844	₱423,260,092
Non-controlling interests	**35,855,368**	47,143,708	96,265,621
	₱775,770,433	₱417,658,552	₱519,525,713
BASIC/DILUTED EARNINGS PER SHARE (Note 28)	**₱0.21**	₱0.10	₱0.12

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
NET INCOME	**₱775,770,433**	₱417,658,552	₱519,525,713
OTHER COMPREHENSIVE INCOME (LOSS)			
To be reclassified to profit or loss in subsequent periods - changes in fair value of available-for-sale financial assets (Note 12)	**(780,697)**	337,910	(498,348)
Not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain (loss) on defined benefit obligation (Note 23)	**(4,672,936)**	4,989,191	(5,431,275)
Income tax effect	**1,401,881**	(1,496,757)	1,629,383
	(4,051,752)	3,830,344	(4,300,240)
TOTAL COMPREHENSIVE INCOME	**₱771,718,681**	₱421,488,896	₱515,225,473
Attributable to:			
Equity holders of the Parent Company	**₱736,348,884**	₱375,517,111	₱419,680,159
Non-controlling interests	**35,369,797**	45,971,785	95,545,314
	₱771,718,681	₱421,488,896	₱515,225,473

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

	Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 15)	Additional Paid-in Capital	Net Changes in Fair Values of Available-for-sale financial assets (Note 12)	Accumulated Re-measurement on Defined Benefit Plan - Net of Deferred Income Tax Effect (Note 23)	Retained Earnings (Note 15)	Treasury Stock (Note 15)	Subtotal	Non-controlling Interests	Total
BALANCES AT DECEMBER 31, 2012	**₱3,241,793,886**	**₱7,277,651**	**₱1,770,510**	**(₱15,435,630)**	**₱1,718,165,151**	**(₱31,172,734)**	**₱4,922,398,834**	**₱825,713,385**	**₱5,748,112,219**
Net income	–	–	–	–	423,260,092	–	423,260,092	96,265,621	519,525,713
Other comprehensive income (loss)	–	–	(184,473)	(3,395,460)	–	–	(3,579,933)	(720,307)	(4,300,240)
Total comprehensive income (loss)	–	–	(184,473)	(3,395,460)	423,260,092	–	419,680,159	95,545,314	515,225,473
Transfer of deferred tax liability on deemed cost adjustment of property and equipment absorbed through depreciation	–	–	–	–	2,871,517	–	2,871,517	–	2,871,517
Transfer of deferred tax liability on deemed cost adjustment of properties realized through sale	–	–	–	–	8,983,275	–	8,983,275	–	8,983,275
Parent Company shares of stock held by CPI	–	–	–	–	–	42,148	42,148	–	42,148
Stock dividends - 5%	161,992,454	–	–	–	(161,992,454)	–	–	–	–
Fractional shares	–	–	–		(343)		(343)	(324)	(667)
Cash dividends - ₱0.03 per share	–	–	–	–	(97,138,994)	–	(97,138,994)	–	(97,138,994)
Cash dividends declared by subsidiaries	–	–	–	–	–	–	–	(45,232,647)	(45,232,647)
BALANCES AT DECEMBER 31, 2013	**3,403,786,340**	**7,277,651**	**1,586,037**	**(18,831,090)**	**1,894,148,244**	**(31,130,586)**	**5,256,836,596**	**876,025,728**	**6,132,862,324**
Net income	–	–	–	–	370,514,844	–	370,514,844	47,143,708	417,658,552
Other comprehensive income (loss)	–	–	182,809	4,819,458	–	–	5,002,267	(1,171,923)	3,830,344
Total comprehensive income	–	–	182,809	4,819,458	370,514,844	–	375,517,111	45,971,785	421,488,896
Transfer of deferred tax liability on deemed cost adjustment of property and equipment absorbed through depreciation	–	–	–	–	2,692,796	–	2,692,796	–	2,692,796
Transfer of deferred tax liability on deemed cost adjustment of properties realized through sale	–	–	–	–	2,507,288	–	2,507,288	–	2,507,288
Parent Company shares of stock held by CPI	–	–	–	–	–	(20,176)	(20,176)	–	(20,176)
Stock dividends - 5%	170,092,060	–	–	–	(170,092,060)	–	–	–	–
Fractional shares	–	–	–	–	(360)	–	(360)	(327)	(687)
Cash dividends - ₱0.03 per share	–	–	–	–	(101,995,934)	–	(101,995,934)	–	(101,995,934)
Cash dividends declared by subsidiaries	–	–	–	–	–	–	–	(33,664,057)	(33,664,057)
BALANCES AT DECEMBER 31, 2014	**₱3,573,878,400**	**₱7,277,651**	**₱1,768,846**	**(₱14,011,632)**	**₱1,997,774,818**	**(₱31,150,762)**	**₱5,535,537,321**	**₱888,333,129**	**₱6,423,870,450**

(Forward)

	Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 15)	Additional Paid-in Capital	Net Changes in Fair Values of Available-for-sale financial assets (Note 12)	Accumulated Re-measurement on Defined Benefit Plan - Net of Deferred Income Tax Effect (Note 23)	Retained Earnings (Note 15)	Treasury Stock (Note 15)	Subtotal	Non-controlling Interests	Total
BALANCES AT DECEMBER 31, 2014	**₱3,573,878,400**	**₱7,277,651**	**₱1,768,846**	**(₱14,011,632)**	**₱1,997,774,818**	**(₱31,150,762)**	**₱5,535,537,321**	**₱ 888,333,129**	**₱6,423,870,450**
Net income	–	–	–	–	**739,915,065**	–	**739,915,065**	**35,855,368**	**775,770,433**
Other comprehensive income (loss)	–	–	**(666,306)**	**(2,899,875)**	–	–	**(3,566,181)**	**(485,571)**	**(4,051,752)**
Total comprehensive income (loss)	–		**(666,306)**	**(2,899,875)**	**739,915,065**	–	**736,348,884**	**35,369,797**	**771,718,681**
Transfer of deferred tax liability on deemed cost adjustment of property and equipment absorbed through depreciation	–	–	–	–	**726,861**	–	**726,861**	–	**726,861**
Transfer of deferred tax liability on deemed cost adjustment of properties realized through sale	–	–	–	–	**2,779,123**	–	**2,779,123**	–	**2,779,123**
Parent Company shares of stock held by CPI	–	–	–	–	–	**(6,833)**	**(6,833)**	–	**(6,833)**
Cash dividends - ₱0.027 per share	–	–	–	–	**(96,386,148)**	–	**(96,386,148)**	–	**(96,386,148)**
Cash dividends declared by subsidiaries	–	–	–	–	–	–	–	**(10,051,122)**	**(10,051,122)**
BALANCES AT DECEMBER 31, 2015	**₱3,573,878,400**	**₱7,277,651**	**₱1,102,540**	**(₱16,911,507)**	**₱2,644,809,719**	**(₱31,157,595)**	**₱6,178,999,208**	**₱913,651,804**	**₱7,092,651,012**

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱1,036,080,965**	₱537,834,715	₱646,799,921
Adjustments for:			
Depreciation (Note 19)	**25,111,714**	29,582,913	16,710,266
Interest income (Note 20)	**(284,486,345)**	(277,916,622)	(369,057,978)
Interest expense - net of amounts capitalized (Note 21)	**6,919,259**	5,967,265	24,823,432
Retirement benefits costs (Note 23)	**1,514,899**	1,878,904	2,017,185
Trust fund income (Note 22)	**(477,071)**	(1,532,158)	(1,780,146)
Dividend income (Note 20)	**(29,133)**	(31,833)	(41,002)
Gain on sale of available-for-sale financial assets	**–**	–	(507,469)
Operating income before working capital changes	**784,634,288**	295,783,184	318,964,209
Decrease (increase) in:			
Installment contracts receivable	**(371,310,838)**	230,425,950	353,756,728
Other receivables	**1,405,018**	(7,861,681)	(2,152,326)
Real estate properties for sale	**779,160,911**	(49,241,406)	70,248,202
Deposits and others	**(4,249,420)**	(89,024,100)	(3,671,489)
Increase (decrease) in:			
Accounts payable and accrued expenses	**(3,249,174)**	(57,094,516)	(250,482,259)
Pre-need and other reserves	**(4,322,985)**	575,735	5,334,356
Cash generated from operations	**1,182,067,800**	323,563,166	491,997,421
Contributions to the plan	**(3,695,170)**	(3,695,170)	(3,309,821)
Interest received	**280,853,210**	281,847,388	367,683,523
Income taxes paid, including creditable and final withholding taxes	**(267,104,038)**	(222,157,380)	(152,105,990)
Net cash flows from operating activities	**1,192,121,802**	379,558,004	704,265,133
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of short-term cash investments (Note 4)	**(1,005,779,445)**	–	(1,745,750,000)
Additions to:			
Investment properties (Note 10)	**(331,691,441)**	(160,855,261)	(145,166,589)
Real estate properties held for future development (Note 9)	**(172,748,792)**	(167,824,723)	(12,201,447)
Property and equipment (Note 11)	**(303,572)**	(4,604,463)	(1,893,372)
Contributions to investments in trust fund (Note 5)	**(3,062,709)**	(2,403,108)	(1,218,183)
Withdrawals from investments in trust funds (Note 5)	**3,673,351**	4,076,055	7,782,478
Dividends received (Note 20)	**29,133**	(31,833)	41,002
Proceeds from:			
Matured short-term cash investments (Note 4)	**–**	869,229,445	–
Sale of property and equipment	**–**	–	1,068,572
Sale of available-for-sale financial assets	**–**	–	512,299
Net cash flows from (used in) investing activities	**(1,509,883,475)**	537,586,112	(1,896,825,240)

(Forward)

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of short-term notes (Note 14)	**₱4,926,800,000**	₱5,625,281,156	₱6,178,329,528
Payments of short-term notes (Note 14)	**(5,006,900,000)**	(5,880,339,620)	(6,529,884,681)
Payment of contracts payable (Note 14)	**(112,500,000)**	–	(17,381,250)
Interest paid (Note 14)	**(6,642,555)**	(6,822,864)	(34,267,762)
Dividends paid (Note 15)	**(105,897,983)**	(135,005,787)	(141,982,384)
Net cash flows used in financing activities	**(305,140,538)**	(396,887,115)	(545,186,549)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(622,902,211)**	520,257,001	(1,737,746,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,180,267,398**	660,010,397	2,397,757,053
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱557,365,187**	₱1,180,267,398	₱660,010,397

See accompanying Notes to Consolidated Financial Statements.

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Cityland Development Corporation (the "Parent Company") was incorporated in the Philippines on January 31, 1978. It has two subsidiaries, Cityplans, Incorporated (CPI) and City & Land Developers, Incorporated (CLDI), a publicly listed company, all domiciled in the Philippines. The Parent Company's and CLDI's primary business purpose is to acquire, develop, improve, subdivide, cultivate, lease, sublease, sell, exchange, barter and/or dispose of agricultural, industrial, commercial, residential and other real properties, as well as to construct, improve, lease, sublease, sell and/or dispose of houses, buildings and other improvements thereon, and to manage and operate subdivisions and housing projects or otherwise engage in the financing and trading of real estate. CPI is engaged in the business of establishing, organizing, developing, maintaining, conducting, operating, marketing and selling pension plans. The Parent Company is 50.42% owned by Cityland, Inc. (CI), the ultimate parent company incorporated in the Philippines, which also prepares consolidated financial statements.

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

The consolidated financial statements of the Parent Company and its subsidiaries (the Group) as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 were authorized for issuance by the Board of Directors (BOD) on March 16, 2016.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss and available-for-sale financial assets that have been measured at fair values and repossessed real estate properties for sale which are carried at fair value less costs to sell. These consolidated financial statements are presented in Philippine peso (Peso), which is the Group's functional currency, and rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2015. Adoption of these pronouncements did not have a significant impact on the Company's financial position or performance.

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*

Annual Improvements to PFRSs (2010 to 2012 cycle)

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
- PAS 16*, Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
- PAS 24, *Related Party Disclosures - Key Management Personnel*

Annual Improvements to PFRSs (2011 to 2013 cycle)
- PFRS 3, *Business Combinations - Scope Exceptions for Joint Ventures*
- PFRS 13, *Fair Value Measurement - Portfolio Exception*
- PAS 40, *Investment Property - Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property*

Basis of Consolidation

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

These subsidiaries, all incorporated and domiciled in the Philippines, and the percentage of ownership of the Parent Company in 2015 and 2014 are as follows:

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

The registered office and principal place of business of CLDI is 3rd Floor, Cityland Condominium 10, Tower I, 156 H. V. de la Costa Street, Makati City. On the other hand, registered office address of CPI is at 3rd Floor, Cityland Condominium 10, Tower II, 154 H.V. de la Costa Street, Salcedo Village, Makati City.

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

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

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

Non-controlling Interests

Non-controlling interests represent the interests in CPI and CLDI not held by the Parent Company, and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within the equity section of the consolidated balance sheet, separate from the Parent Company's equity.

Current versus Noncurrent Classification

The Group presents assets and liabilities in balance sheet based on current/noncurrent classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition, and are subject to an insignificant risk of change in value.

Short-term Cash Investments
Short-term cash investments are investments with maturities of more than three months but not exceeding one year from dates of acquisition.

Financial Assets and Financial Liabilities
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition of financial instruments
Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss, includes directly attributable transaction cost.

Classification of financial instruments
Subsequent to initial recognition, the Group classifies its financial instruments in the following categories: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities. The classification depends on the purpose for which the instruments are acquired and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at each end of reporting period.

a. Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

   A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the near term or upon initial recognition it is designated by management as at fair value through profit or loss.

   Financial assets or financial liabilities classified in this category are designated as at fair value through profit or loss by management on initial recognition when the following criteria are met:

   - The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
   - The assets or liabilities are part of a group of financial assets or financial liabilities, or both financial assets and financial liabilities, which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
   - The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets or financial liabilities classified under this category are carried at fair value in the consolidated balance sheet. Changes in the fair value of such assets and liabilities are recognized in the consolidated statement of income.

The Group designated its investments in trust funds as financial assets at fair value through profit or loss. The Group's investments in trust funds directly relate to the Pre-need Reserves accounts.

b. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at amortized cost in the consolidated balance sheet. Amortization is determined using the effective interest rate method.

The Group's loans and receivables consist of cash in banks, cash equivalents, short-term cash investments, installment contracts receivable, refundable deposits, escrow deposit and other receivables.

c. Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortized cost in the consolidated balance sheet. Amortization is determined using the effective interest rate method.

The Group has no held-to-maturity investments as of December 31, 2015 and 2014.

d. Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are carried at fair value in the consolidated balance sheet. Changes in the fair value of such assets are accounted in the consolidated statement of comprehensive income and in equity.

The Group's available-for-sale financial assets consist of investments in quoted equity securities.

e. Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Group owes money, goods or services directly to a creditor with no intention of trading the payables. Other financial liabilities are carried at cost or amortized cost in the consolidated balance sheet. Amortization is determined using the effective interest rate method.

The Group's other financial liabilities consist of accounts payable and accrued expenses and notes and contracts payable.

Cash dividend distributions to stockholders are recognized as financial liabilities when the dividends are approved by the BOD.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

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

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

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

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

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

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

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

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

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

"Day 1" Difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement

of income unless it qualifies for recognition as some other type of asset. In cases where inputs are made of data which are not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

Where the Group has transferred its rights to receive cash flows from a financial asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Impairment of Financial Assets

The Group assesses at each reporting period whether a financial asset or a group of financial assets is impaired.

Assets carried at amortized cost

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Objective evidence includes observable data that comes to the attention of the Group about loss events such as, but not limited to significant financial difficulty of the counterparty, a breach of contract, such as default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk and characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is recognized are not included in a collective assessment of impairment.

The impairment assessment is performed at each end of reporting period. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term.

If there is an objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rates (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss, if any, is recognized in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write off is later recovered, the recovery is recognized in the consolidated statement of income under "Other income" account. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of income to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date.

Assets carried at cost
If there is an objective evidence that an impairment loss of an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-for-sale financial assets
In the case of debt instruments classified as available-for-sale financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of "Financial income" in the consolidated statement of income. If, in subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of income, the impairment loss is reversed through the consolidated statement of income.

In case of equity investments classified as available-for-sale financial assets, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income - is removed from equity and recognized in the consolidated statement of income. Increases in fair value after impairment are recognized in the

consolidated statement of comprehensive income and directly in the consolidated statement of changes in equity.

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

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

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

Upon commencement of development, the real estate properties held for future development is transferred to real estate properties for sale.

Repossessed real estate properties for sale arising from sale cancellations and forfeitures are measured at fair value less estimated costs to make the sale. Any resulting gain or loss is credited or charged to "Other income" or "Other expenses", respectively, in the consolidated statement of income.

Investments in Trust Funds
The trust fund assets and liabilities are recognized in accordance with the provisions of the applicable PAS and PFRS and their interpretations.

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

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

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

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

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

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

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

Property and Equipment

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

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

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

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

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

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

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

Impairment of Nonfinancial Assets

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

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

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

Value-added Tax (VAT)

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

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

Pre-Need Reserves (PNR)

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

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

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

- The rates of surrender, cancellation, reinstatement, utilization, and inflation considered the actual experience of CPI in the last three years.
- The computation of the foregoing assumptions has been validated by the internal qualified actuary of CPI.
- Based on CPI's experience, the probability of pre-termination or surrender of fully paid plans is below 5% and therefore considered insignificant. The derecognition of liability shall be recorded at pre-termination date.

In 2015 and 2014, CPI follows IC Circular Letter No. 23-2012 dated November 28, 2012 which sets the guidelines for the discount rate to be used in the valuation of PNR as follows:

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

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

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

  For each of the pre-need plan categories, the TPNR shall be computed annually on the old basket of plans outstanding at the end of each year from 2012 to 2021 using the discount interest rates provided above. If the actual trust fund balance is higher than or equal to the resulting PNR then the liability set-up shall be the PNR.

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

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

  The TPNR liability shall be recognized each year. As of December 31, 2015 and 2014, CPI's actual trust fund balance is lower than the resulting PNR (see Note 5).

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

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

Capital Stock

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

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

Retained Earnings

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

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

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

Dividend Distributions

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

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

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

Treasury Stock

Treasury stock is the Group's own equity instruments that has been issued and then reacquired but not yet cancelled. Treasury stock are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or

cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital.

Revenue and Costs Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received excluding VAT. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sales of real estate properties

In accordance with Philippine Interpretations Committee, Q&A 2006-01, the percentage-of-completion (POC) method is used to recognize income from sales of condominium units and residential houses where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to the buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished) and the costs incurred or to be incurred can be measured reliably. Under this method, revenue on sale is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Revenue from sale of completed residential lots and housing units, where a sufficient down payment has been received, the collectability of the sales price is reasonably assured, the refund period has expired, the receivables are not subordinated and the seller is not obliged to complete improvements, is accounted for under the full accrual method.

If the criteria of full accrual and POC method are not satisfied and when the license to sell and certificate of registration for a project are not yet issued by the Housing and Land Use Regulatory Board (HLURB), any cash received by the Group is recorded as part of "Customers' deposits" account which is included under "Accounts payable and accrued expenses" in the consolidated balance sheet until all the conditions for recognizing the sale are met.

Cost of real estate sales

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus estimated costs to complete the development of the property. The estimated expenditures for the development of sold real estate property, as determined by independent project engineers, are charged to "Cost of real estate sales" in the consolidated statement of income with a corresponding credit to accrued development costs account presented under "Accounts payable and accrued expenses" in the consolidated balance sheet.

The cost of inventory recognized in profit or loss on disposal (cost of real estate sales) is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the POC used for revenue recognition purposes.

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

Sale of undeveloped land
Revenue from sale of undeveloped land is recognized using the full accrual method. Under the full accrual method, revenue is recognized when the risks and rewards of ownership on the undeveloped land have passed to the buyer and the amount of revenue can be measured reliably.

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

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

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

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

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

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

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
(d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

Operating expenses
Operating expenses constitute costs of administering the business. These costs are expensed as incurred.

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

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

Other income and other expenses
Other income and other expenses pertain to the gain or loss, respectively, arising from forfeiture or cancellation of prior years' real estate sales.

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

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

Retirement benefits cost comprises the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

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

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

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the consolidated statement of comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are earned by the employees. The undiscounted liability for leave expected to be settled within 12 months after the end of the reporting period is recognized for services rendered by employees up to the end of the reporting period. Accumulating leave credits which are not expected to be settled wholly within 12 months from the balance sheet date in which the employees rendered the related service are classified as noncurrent liabilities. The Group computes for the obligation using the projected unit credit method, which is similar to accounting for retirement benefits, except that any remeasurement gain or loss is taken directly to profit or loss.

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

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

Income Taxes
Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax

laws used to compute the amount are those that are enacted or substantively enacted at the end of reporting period.

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

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

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

Deferred income tax liabilities are not provided on nontaxable temporary differences associated with investments in subsidiaries and affiliates.

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

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

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

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

Other Comprehensive Income
Other comprehensive income comprises items of income and expense that are not recognized in the consolidated statement of income in accordance with PFRS. Other comprehensive income of the Group includes gains and losses on fair value changes of available-for-sale financial assets, re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability).

Earnings Per Share
Basic earnings per share is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares issued and outstanding after considering the retroactive effect, if any, of stock dividends declared during the year.

Diluted earnings per share is calculated by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and adjusted for the effects of all dilutive potential common shares, if any. In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retrospectively.

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

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

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

Effective beginning January 1, 2016

- Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities* and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to PAS 16 and PAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41 - *Bearer Plants*
- Amendments to PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements*
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRSs and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

Annual Improvements to PFRSs (2012-2014 cycle)

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- PAS 19, *Employee Benefits - Discount Rate: Regional Market Issue*
- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Effective beginning January 1, 2017

- Amendments to PAS 7, *Disclosure Initiative*
  The amendments require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

- Amendments to PAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*
  The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Effective beginning January 1, 2018

- PFRS 9, *Financial Instruments* (2014 or final version)

Effective beginning January 1, 2019

- PFRS 16, *Leases*
  The new standard introduces major changes in lease accounting. Under PFRS 16, lessees will no longer classify their leases as either operating or financing leases in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the leased assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less for which the underlying asset is of low value are exempted from these requirements.

  The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

  PFRS 16 will replace PAS 17 and supersede the related interpretations. Earlier application is not permitted until the Financial Standards Reporting Council (FRSC) has adopted the new revenue recognition standard.

  The Group is currently studying the impact of future adoption of PFRS 16.

Deferred Effectivity

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

- Philippine Interpretation IFRIC-15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

Issued by the IASB but not yet adopted by the FRSC

- International Financial Reporting Standards (IFRS 15), *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

3. Significant Accounting Judgments, Estimates and Assumptions

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

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

Judgments

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

Determination of the Group's functional currency

The Group, based on the relevant economic substance of the underlying circumstances, has determined its functional currency to be Peso. It is the currency that influences the Group's sale of real estate properties and the cost of selling the same.

Consolidation of CLDI in which the Group holds less than a majority of voting right (de facto control)

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

In addition, majority of the members of its governing body or for which its key management personnel are the same as those of CLDI.

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

- *Collectability of sales price*
  Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that gives the buyer a sufficient stake in the property that risk of loss through default motivates the buyer to honor his obligation. Collectability is also assessed by considering factors such as the credit standing of the buyer, age, and location of the property.

  For sale of real estate properties, in determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

- *Stage of completion of the project*
  The Group commences the recognition of revenue from sale of uncompleted projects where the POC method is used when the POC, as determined by independent project engineers, ranges from 5% to 10%. It is the period when the Group considers that the construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished).

Classification of financial instruments
The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Group's consolidated balance sheet (see Note 26).

The Group determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this designation at every end of reporting period.

Operating lease commitments – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all significant risks and rewards of ownership of the properties as the Group considered, among others, the length of the lease term as compared with the estimated life of the assets (see Note 10).

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers among others, the significance of the penalty, including the economic consequence to the lessee.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used for administrative purposes.

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

Investment properties amounted to ₱1.86 billion and ₱1.33 billion as of December 31, 2015 and 2014, respectively (see Note 10). Property and equipment amounted to ₱14.04 million and ₱18.34 million as of December 31, 2015 and 2014, respectively (see Note 11).

Distinction between real estate properties for sale and investment properties
The Group determines whether a property is classified as for sale, for lease and for capital appreciation.

Real estate properties which the Group develops and intends to sell on or before completion of construction are classified as real estate properties for sale. Real estate properties for sale amounted to ₱1.38 billion and ₱1.72 billion as of December 31, 2015 and 2014, respectively (see Note 8). Real estate properties which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment properties. Investment properties amounted to ₱1.86 billion and ₱1.33 billion as of December 31, 2015 and 2014, respectively (see Note 10).

Distinction between real estate properties for sale and held for future development
The Group determines whether a property will be classified as real estate properties for sale or held for future development. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate properties for sale) or whether it will be retained as part of the Group's strategic landbanking activities for development or sale in the medium or long-term (real estate properties held for future development). Real estate properties for sale amounted to ₱1.38 billion and ₱1.72 billion as of December 31, 2015 and 2014, respectively (see Note 8). Real estate properties held for future development amounted to ₱0.82 billion and ₱1.25 billion as of December 31, 2015 and 2014, respectively (see Note 9).

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

Revenue and cost recognition
The Group's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amount of revenue and cost. The Group's revenue from real estate properties based on the POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Estimation of POC of real estate projects
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and cost. The Group estimates the POC of ongoing projects for purposes of accounting for the estimated costs of development as well as revenue to be recognized. Actual costs of development could differ from these estimates. Such estimates will be adjusted accordingly when the effects become reasonably determinable. The POC is based on the technical evaluation of the independent project engineers as well as

management's monitoring of the costs, progress and improvements of the projects. Gross profit on sales of real estate properties amounted to ₱949.24 million, ₱438.51 million and ₱528.65 million in 2015, 2014 and 2013, respectively. In 2013, the Group reversed the excess of estimated development cost over the actual cost of completed project amounting to ₱119.74 million which was recognized under "Other income" in the 2013 consolidated statement of income (see Note 22).

Determination of fair value of financial instruments
Financial assets and financial liabilities, on initial recognition, are accounted for at fair value. The fair values of financial assets and financial liabilities, on initial recognition, are normally the transaction prices. In the case of those financial assets and financial liabilities that have no active markets, fair values are determined using an appropriate valuation technique. The fair values of the Group's financial instruments are disclosed in Note 26.

Estimation of allowance for impairment of receivables
The level of this allowance is evaluated by management based on past collection history and other factors, which include, but not limited to the length of the Group's relationship with customer, the customer's payment behavior and known market factors that affect the collectability of the accounts. As of December 31, 2015 and 2014, installment contracts receivable and other receivables aggregated to ₱1.81 billion and ₱1.43 billion, respectively. There was no impairment of receivables in 2015 and 2014 (see Notes 6 and 7).

Impairment of available-for-sale financial assets
An impairment issue arises when there is an objective evidence of impairment, which involves significant judgment. In making this judgment, the Group evaluates the financial health of the issuer, among others. The Group treats available-for-sale equity financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The Group treats "significant" generally as 20% or more of cost and "prolonged" as greater than 12 months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Available-for-sale financial assets amounted to ₱1.59 million and ₱1.73 million as of December 31, 2015 and 2014, respectively (see Note 12).

Based on management's assessment, certain available-for-sale equity securities held in trust funds by CPI are impaired in 2015. Impairment loss on available-for-sale financial assets in trust funds, including accumulated mark-to-market adjustments transferred from equity to profit or loss, amounted to ₱0.40 million in 2015 (nil in 2014 and 2013) (see Note 5).

Determination of net realizable value of real estate properties for sale and held for future development
The Group's estimates of net realizable value of real estate properties for sale are based on the most reliable evidence available at the time the estimates are made, or the amount that the real estate properties for sale are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made of net realizable value in each subsequent period. When the circumstances that previously caused the real estate properties for sale to be written down below cost no longer exist or when there is a clear evidence of an increase in net realizable value because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. The Group's real estate properties for sale and held for future development as of December 31, 2015 and 2014 amounted to ₱2.20 billion and ₱2.97 billion, respectively (see Notes 8 and 9).

Estimation of useful lives of investment properties and property and equipment
The Group estimates the useful lives of investment properties and property and equipment based on the internal technical evaluation and experience with similar assets. Estimated lives of investment properties and property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to wear and tear, technical and commercial obsolescence and other limits on the use of the assets. Net book value of investment properties as of December 31, 2015 and 2014 amounted to ₱1.86 billion and ₱1.33 billion, respectively (see Note 10). On the other hand, the net book value of property and equipment amounted to ₱14.04 million and ₱18.34 million as of December 31, 2015 and 2014, respectively (see Note 11).

Determination of the fair value of investment properties
The Group discloses the fair values of its investment properties in accordance with PAS 40, *Investment Property,* the Group engaged two accredited independent valuation specialists to assess fair value as of December 31, 2015 and 2014. The Group's investment properties consist of land and building pertaining to commercial properties. These are valued by reference to sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use. Another method used in determining the fair value of land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others (see Note 26).

Impairment of investment properties and property and equipment
The Group determines whether its nonfinancial assets such as investment properties and property and equipment are impaired when impairment indicators exist such as significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. This requires an estimation of the value-in-use of the cash-generating units to which the assets belong. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. No impairment indicator was noted as of December 31, 2015 and 2014. Net book value of investment properties as of December 31, 2015 and 2014 amounted to ₱1.86 billion and ₱1.33 billion, respectively (see Note 10). On the other hand, the net book value of property and equipment amounted to ₱14.04 million and ₱18.34 million as of December 31, 2015 and 2014, respectively (see Note 11).

Estimation of retirement benefits cost
The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the PDEX PDST-R2 rates at various tenors, rates for intermediate durations were interpolated and the rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate.

The mortality rate is based on publicly available mortality table in the Philippines. Future salary increases are based on expected future inflation rates. Further details about assumptions used are given in Note 23.

Net retirement benefits cost amounted to ₱1.51 million, ₱1.88 million and ₱2.02 million in 2015, 2014 and 2013, respectively. The carrying value of the Parent Company's and CPI's retirement plan assets as of December 31, 2015 and 2014 amounted to ₱17.25 million and ₱19.34 million, respectively. The carrying value of CLDI's retirement benefits liability as of December 31, 2015 and 2014 amounted to ₱5.29 million and ₱4.89 million, respectively (see Note 23).

Estimation of reserves
Reserves are set up for all pre-need benefits guaranteed and payable by CPI as defined in the pre-need plan contracts. The determination of CPI's reserves is based on the actuarial formula, methods, and assumptions allowed by applicable SEC and IC circulars.

As of December 31, 2015, the principal assumptions used in determining the PNR was based on the IC Circular Letter No. 23-2012 dated November 28, 2012 (See Note 4). The transitory discount interest rate that shall be used in the valuation of pre-need reserves shall not exceed the lower of the attainable rates as certified by the Trustee of 5.448% and 4.84% in 2015 and 2014, respectively, and the IC rate of 8%.

The following are the assumptions used in the computation of pre-need reserves:

December 31, 2015:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans

   - Plans issued prior to 2006 and after - 5.448% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

   - Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

   - Plans with maturity dates in years 2016 and after - 5.448% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

December 31, 2014:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans

   - Plans issued prior to 2006 and after - 4.84% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

   - Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

   - Plans with maturity dates in years 2015 and after - 4.84% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

December 31, 2013:

a. Currently-Being-Paid Pension Plans - Actively Paying Plans

- Plans issued prior to 2006 and after - 5.81% discount rate (ROI rate) and no surrender/lapse rates were used.

b. Currently-Being-Paid Pension Plans - Lapsed Plans

- Plans issued prior to 2006 and after - reserves equal the termination values (as originally computed) at the date of lapse and no reinstatement rate was assumed.

c. Fully paid plans - Availing and Not Yet Availing

- Plans with maturity dates in years 2014 and after - 5.81% discount rate (ROI rate) and no surrender rates were assumed for fully paid plans.

Management believes that the amount of pre-need reserves and other reserves recorded in the books closely reflect potential plan claims as of end of reporting period. As of December 31, 2015 and 2014, pre-need reserve and other reserves amounted to ₱50.58 million and ₱55.01 million, respectively (see Note 5).

Recognition of deferred income tax assets
The Group reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

As of December 31, 2015 and 2014, deferred income tax assets amounted to ₱19.29 million and ₱17.40 million, respectively (see Note 24).

4. Cash and Cash Equivalents and Short-term Cash Investments

Cash and cash equivalents consist of:

	2015	2014
Cash on hand and in banks	**₱8,346,297**	₱21,196,834
Cash equivalents	**549,018,890**	1,159,070,564
	₱557,365,187	₱1,180,267,398

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

Short-term cash investments amounting to ₱2.19 billion and ₱1.18 billion as of December 31, 2015 and 2014, respectively, have maturities of more than three months to one year from dates of acquisition and earn interest at the prevailing market rates.

Interest income earned from cash in banks, cash equivalents and short-term cash investments amounted to ₱60.28 million, ₱39.29 million and ₱75.28 million in 2015, 2014 and 2013, respectively (see Note 20).

5. Investments in Trust Funds and Pre-need and Other Reserves

Investments in trust funds
Pursuant to the provisions of the SEC Memorandum Circular No. 6, *Guidelines on the Management of the Trust Fund of Pre-Need Corporation* (SEC Circular No. 4), the SEC requires, among others, that companies engaged in the sale of pre-need plans and similar contracts to planholders set up a trust fund to guarantee the delivery of property or performance of service in the future. Withdrawals from these trust funds are limited to, among others, payments of pension plan benefits, bank charges and investment expenses in the operation of the trust funds, termination value payable to plan holders, contributions to the trust funds of cancelled plans and final taxes on investment income of the trust funds.

In accordance with the SEC requirements, CPI has funds deposited with two local trustee banks with net assets aggregating to ₱37.33 million and ₱37.76 million as of December 31, 2015 and 2014, respectively, which are recorded under "Investments in trust funds" account in the consolidated balance sheets.

The details of investments in trust funds as of December 31 are as follows:

	2015	2014
Assets		
Cash and cash equivalents	**₱6,877,875**	₱4,730,869
Debt and listed equity securities	**23,420,835**	26,754,233
Investment properties	**6,480,000**	6,162,000
Others	**824,186**	400,895
	37,602,896	38,047,997
Liabilities	**(272,411)**	(292,647)
	37,330,485	37,755,350
Less noncurrent portion	**30,087,353**	32,660,837
	₱7,243,132	₱5,094,513

Total contributions to the trust funds amounted to ₱3.06 million, ₱2.40 million and ₱1.22 million in 2015, 2014 and 2013, respectively. Total withdrawals from the trust funds amounted to ₱3.67 million, ₱4.08 million and ₱7.78 million in 2015, 2014 and 2013, respectively.

CPI determined that certain available-for-sale equity securities are impaired because of significant decline in fair values below their costs. Impairment loss amounting to ₱0.40 million was recognized in 2015 (nil in 2014 and 2013).

The movements in reserve for fluctuation in value of available-for-sale financial assets held in trust funds follow:

	2015	2014
Balances at beginning of year	**₱1,091,597**	₱1,040,986
Changes in fair value during the year	**(1,001,308)**	50,611
Impairment loss transferred from equity to profit or loss	**398,848**	–
Balances at end of year	**₱489,137**	₱1,091,597

Details of reserves are as follows:

	2015	2014
PNR	**₱33,837,949**	₱33,939,082
Reserve for trust fund deficiency	**15,534,345**	19,756,197
Pension bonus reserve	**971,577**	1,034,940
Insurance premium reserve	**235,374**	275,360
	50,579,245	55,005,579
Less noncurrent portion	**47,845,484**	53,318,856
	₱2,733,761	₱1,686,723

Net contractual liabilities comprise the PNR and reserve for trust fund deficiency. In the opinion of management and the independent actuary, CPI's net contractual liabilities amounting to ₱49.37 million and ₱53.70 million as of December 31, 2015 and 2014, respectively, which is based on the actuarial reports, closely reflect actual potential plan claims as of those dates.

In accordance with IC Circular Letter No. 23-2012 issued on November 28, 2012, the Group computed for the transitory pre-need reserves (also referred to as "PNR") which amounted to ₱33.84 million and ₱33.94 million as of December 31, 2015 and 2014, respectively. If the resulting pre-need reserve is greater than the actual trust fund balance at the end of the year, the transitory pre-need reserves shall be computed in accordance with the schedule provided in the IC Circular Letter.

Although not required, in 2015 and 2014, the BOD has deemed it prudent and opted to set-up the difference in net contractual liabilities and transitory pre-need reserve amounting to ₱15.53 million (to be funded for the next 6 years) and ₱19.76 million (to be funded for the next 7 years) under "Other reserves" account as of December 31, 2015 and 2014, respectively.

The trust fund deficiency amounting to ₱2.59 million, ₱2.82 million and ₱2.14 million in 2015, 2014 and 2013, respectively, should be placed in the trust fund within 60 days from April 30 following the valuation date. The trust fund deficiency for the year represents the difference of pre-need reserve and trust fund investment, net of investment in trust funds allocated to pension bonus and unrealized gains.

6. Installment Contracts Receivable

	2015	2014
Installment contracts receivable	**₱1,747,559,310**	₱1,376,248,472
Less noncurrent portion	**1,029,612,014**	1,032,056,058
	₱717,947,296	₱344,192,414

Installment contracts receivable arises from sales of real estate properties and is collectible in monthly installments for periods ranging from one to 10 years which bears monthly interest rates of 0.67% to 2.00% in 2015, 2014 and 2013 computed on the diminishing balance.

Interest income earned from installment contracts receivable amounted to ₱222.81 million, ₱236.31 million and ₱289.99 million in 2015, 2014 and 2013, respectively (see Note 20).

The Group and CI entered into a contract of guaranty under Retail Guaranty Line in the amount of ₱2.00 billion in 2015 with Home Guaranty Corporation (HGC). The amount of installment

contracts receivable enrolled and renewed by the Group amounted to ₱0.92 billion and ₱1.09 billion in 2015 and 2014, respectively. The Group paid a guarantee premium of 1.00%, based on outstanding principal balance of the receivables enrolled in 2015 and 2014 (Note 17).

7. Other Receivables

Other receivables consist of:

	2015	2014
Advances to:		
Customers	**₱30,747,262**	₱28,595,924
Contractors	**2,714,475**	3,021,154
Rent receivable	**14,105,986**	13,221,900
Accrued interest	**9,033,019**	5,399,884
Due from related parties (Note 25)	**–**	3,192,155
Others	**3,372,838**	4,314,446
	59,973,580	57,745,463
Less noncurrent portion	**7,188,365**	4,633,133
	₱52,785,215	₱53,112,330

Advances to customers are receivables of the Group for the real estate property taxes of sold condominium units initially paid by the Group whereas advances to contractors are advances made by the Group for the contractors' supply requirements.

Rent receivable arose from the investment properties rented-out under non-cancellable long-term operating lease contracts (see Note 10).

Other receivables include receivables from customers relating to registration of title and other expenses initially paid by the Group on behalf of the buyers and employees' advances.

8. Real Estate Properties for Sale

Real estate properties for sale consists of costs incurred in the development of condominium units and residential houses. Real estate properties for sale includes deemed cost adjustment amounting to ₱45.58 million and ₱86.50 million as of December 31, 2015 and 2014, respectively (see Note 15). The deemed cost adjustment arose when the Group transitioned to PFRS in 2005.

The movement of real estate properties for sale follows:

	2015	2014
Balances at beginning of year	**₱1,723,182,182**	₱1,432,346,524
Construction/development costs incurred	**599,497,269**	701,490,489
Disposals (cost of real estate sales)	**(1,422,019,784)**	(713,944,519)
Transfer from real estate properties held for future development (Note 9)	**434,371,955**	241,594,252
Borrowing costs capitalized (Note 21)	**3,015,276**	6,069,828
Derecognition	**(732,500)**	–
Other adjustments - net	**41,078,828**	55,625,608
	₱1,378,393,226	₱1,723,182,182

Real estate properties for sale account includes capitalized borrowing costs incurred during each year in connection with the development of the properties. The average capitalization rate used to determine the amount of capitalized borrowing costs eligible for capitalization is 1.23%, 1.07% and 2.17% in 2015, 2014 and 2013, respectively.

Other adjustments include realized deemed cost adjustment and the effect of stating repossessed real estate properties during the year at fair value less cost to sell.

9. Real Estate Properties Held for Future Development

Real estate properties held for future development include land properties reserved by the Group for its future condominium projects.

Movements in real estate properties held for future development are as follows:

	2015	2014
Balance at beginning of year	**₱1,247,443,845**	₱1,096,213,374
Additions (Note 14)	**225,498,792**	392,824,723
Transfer to real estate properties for sale (Note 8)	**(434,371,955)**	(241,594,252)
Transfer to investment properties (Note 10)	**(216,563,060)**	–
Balance at end of year	**₱822,007,622**	₱1,247,443,845

In 2015, the Parent Company purchased a property amounting to ₱216.56 million and transferred such to "Investment properties" account in the same year.

In 2014, the Parent Company and CLDI acquired a parcel of land amounting to ₱158.34 million and ₱229.82 million, respectively, for future development.

10. Investment Properties

Investment properties represent real estate properties for lease which consist of:

	2015				
	Land	**Building**	**Machinery and Equipment**	**Construction in Progress**	**Total**
Costs					
Balances at beginning of year	**₱1,002,268,727**	**₱345,763,189**	**₱15,730,535**	**₱49,309,986**	**₱1,413,072,437**
Additions	**1,029,881**	**6,886,821**	**–**	**319,108,375**	**327,025,077**
Transfer from real estate properties held for future development (Notes 9 and 14)	**216,563,060**	**–**	**–**	**–**	**216,563,060**
Derecognition	**–**	**(12,759,860)**	**–**	**–**	**(12,759,860)**
Capitalized borrowing costs (Note 21)	**–**	**–**	**–**	**4,666,364**	**4,666,364**
Balances at end of year	**1,219,861,668**	**339,890,150**	**15,730,535**	**373,084,725**	**1,948,567,078**
Accumulated Depreciation					
Balances at beginning of year	**–**	**76,182,930**	**1,949,594**	**–**	**78,132,524**
Derecognition	**–**	**(12,759,860)**	**–**	**–**	**(12,759,860)**
Depreciation (Notes 17 and 19)	**–**	**18,389,768**	**2,126,829**	**–**	**20,516,597**
Balances at end of year	**–**	**81,812,838**	**4,076,423**	**–**	**85,889,261**
Net Book Values	**₱1,219,861,668**	**₱258,077,312**	**₱11,654,112**	**₱373,084,725**	**₱1,862,677,817**

	2015				
	Land	**Building**	**Machinery and Equipment**	**Construction in Progress**	**Total**
	2014				
	Land	Building	Machinery and Equipment	Construction in Progress	Total
Costs					
Balances at beginning of year	₱1,002,176,316	₱91,456,330	₱–	₱158,584,530	₱1,252,217,176
Additions	92,411	104,525,901	6,926,964	47,604,702	159,149,978
Capitalized borrowing costs (Note 21)	–	–	–	1,705,283	1,705,283
Transfer	–	149,780,958	8,803,571	(158,584,529)	–
Balances at end of year	1,002,268,727	345,763,189	15,730,535	49,309,986	1,413,072,437
Accumulated Depreciation					
Balances at beginning of year	–	61,485,328	–	–	61,485,328
Depreciation (Notes 17 and 19)	–	14,697,602	1,949,594	–	16,647,196
Balances at end of year	–	76,182,930	1,949,594	–	78,132,524
Net Book Values	₱1,002,268,727	₱269,580,259	13,780,941	₱49,309,986	₱1,334,939,913

In 2013, the Parent Company started construction of CityNet1 which was completed in 2014. CityNet1 was registered with the Philippine Economic Zone Authority (PEZA) on March 3, 2014 with Registration No. EZ14-04. The Parent Company leases out this property to a business process outsourcing (BPO) company which is also a PEZA-registered entity. Construction in progress as of December 31, 2015 pertains to the construction of a BPO building, Citynet Central, which commenced in 2014 and is expected to be completed within the first half of 2017.

The net book values of land and building include net deemed cost adjustment amounting to ₱219.83 million as of December 31, 2015 and 2014 (see Note 15). The deemed cost adjustment arose when the Group transitioned to PFRS in 2005.

Based on the appraisal reports by SEC accredited and independent firms of appraisers using market data and sales comparison approach at various dates in 2015 and 2014, appraised values of these investment properties amounted to ₱3.25 billion and ₱2.38 billion as of dates of appraisal in 2015 and 2014, respectively (see Note 26).

The Parent Company entered into non-cancellable operating lease contracts with various third parties. One lease contract with a fast food outlet started in November 2011 with a term of 10 years. In 2014, the Parent Company entered into lease contracts with a BPO company with a term of six years and with a convenience store with a term of five years. In 2015, the Parent Company entered into a lease contract with a domestic corporation with a term of four years and four months. The lease contracts include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

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

	2015	2014
Within one year	**₱61,619,011**	₱55,522,413
After one year but not more than five years	**197,334,169**	238,293,487
Later than five years	**5,868,465**	12,526,704
	₱264,821,645	₱306,342,604

Rent income from investment properties amounted to ₱83.26 million, ₱87.07 million and ₱32.44 million in 2015, 2014, and 2013, respectively.

Direct operating expenses on investment properties pertaining to depreciation, real estate taxes and other expenses amounted to ₱23.43 million, ₱28.51 million and ₱11.12 million in 2015, 2014 and 2013, respectively (see Note 17).

Other lease agreements with third parties are generally for a one year term renewable every year.

11. Property and Equipment

Property and equipment consists of:

	2015			
	Office Premises	**Furniture, Fixtures and Office Equipment**	**Transportation and Other Equipment**	**Total**
At Cost				
Balances at beginning of year	**₱–**	**₱34,397,387**	**₱5,970,856**	**₱40,368,243**
Additions	**–**	**303,572**	**–**	**303,572**
Balances at end of year	**–**	**34,700,959**	**5,970,856**	**40,671,815**
Accumulated Depreciation				
Balances at beginning of year	**–**	**29,907,282**	**4,841,251**	**34,748,533**
Depreciation (Notes 17 and 19)	**–**	**1,193,555**	**324,911**	**1,518,466**
Balances at end of year	**–**	**31,100,837**	**5,166,162**	**36,266,999**
Net Book Value	**–**	**3,600,122**	**804,694**	**4,404,816**
At Deemed Cost	**253,365,628**	**–**	**–**	**253,365,628**
Accumulated Depreciation				
Balances at beginning of year	**240,649,713**	**–**	**–**	**240,649,713**
Depreciation (Notes 17 and 19)	**3,076,651**	**–**	**–**	**3,076,651**
Balances at end of year	**243,726,364**	**–**	**–**	**243,726,364**
Net Deemed Cost	**9,639,264**	**–**	**–**	**9,639,264**
Total	**₱9,639,264**	**₱3,600,122**	**₱804,694**	**₱14,044,080**

	2014			
	Office Premises	Furniture, Fixtures and Office Equipment	Transportation and Other Equipment	Total
At Cost				
Balances at beginning of year	**₱–**	₱30,424,174	₱5,715,606	₱36,139,780
Additions	–	3,973,213	631,250	4,604,463
Disposal	–	–	(376,000)	(376,000)
Balances at end of year	–	34,397,387	5,970,856	40,368,243
Accumulated Depreciation				
Balances at beginning of year	–	28,998,846	4,743,036	33,741,882
Depreciation (Notes 17 and 19)	–	908,436	474,215	1,382,651
Disposal	–	–	(376,000)	(376,000)
Balances at end of year	–	29,907,282	4,841,251	34,748,533
Net Book Value	–	4,490,105	1,129,605	5,619,710
At Deemed Cost	253,365,628	–	–	253,365,628
Accumulated Depreciation				
Balances at beginning of year	229,096,647	–	–	229,096,647
Depreciation (Notes 17 and 19)	11,553,066	–	–	11,553,066
Balances at end of year	240,649,713	–	–	240,649,713
Net Deemed Cost	12,715,915	–	–	12,715,915
Total	₱12,715,915	₱4,490,105	₱1,129,605	₱18,335,625

For the office premises, the Group elected to apply the optional exemption under PFRS 1, *First-Time Adoption of PFRS*, to use the revalued amount as deemed cost as at January 1, 2005, the date

of transition to PFRS. As of December 31, 2015 and 2014, the balances at pre-PFRS cost of the office premises are as follows:

	2015	2014
Office premises	**₱55,775,746**	₱55,775,746
Less accumulated depreciation	**53,728,657**	53,074,862
	₱2,047,089	₱2,700,884

Difference between the net deemed cost and the net pre-PFRS cost amounting to ₱7.59 million and ₱10.02 million as of December 31, 2015 and 2014, respectively, represents the remaining balance of the deemed cost adjustment (see Note 15).

The cost of fully depreciated property and equipment still used in operations amounted to ₱32.45 million as of December 31, 2015 and 2014.

12. Other Assets

Other current assets consist of:

	2015	2014
Escrow deposit	**₱–**	₱43,801,433
Deposits and others	**22,204,789**	1,892,558
	₱22,204,789	₱45,693,991

In 2014, CLDI entered into an Escrow Agreement with the HLURB and a local bank as escrow bank for the temporary license to sell issued for CLDI's project, North Residences. Cash proceeds as of December 31, 2014 amounting to ₱43.80 million were deposited to the escrow bank and recognized as deposits under "Accounts payable and accrued expenses" in the 2014 consolidated balance sheet (see Note 13).

The escrow deposit was released to CLDI on January 14, 2015 upon written notice from the HLURB allowing such release in view of the CLDI's compliance with all the requirements of the HLURB for the issuance of license to sell and certificate of registration for North Residences.

Current portion of deposits and others include unused input VAT and prepaid real estate taxes.

Other noncurrent assets consist of:

	2015	2014
Unused input VAT	**₱83,110,276**	₱59,390,834
Available-for-sale financial assets	**1,586,150**	1,728,888
Deposits and others	**20,244,599**	16,187,379
	₱104,941,025	₱77,307,101

The unused input VAT arose from the purchase of parcels of land recorded as part of "Investment properties" and "Real estate properties held for future development" accounts in 2015 and 2014, respectively (see Notes 9 and 10).

Available-for-sale financial assets consist of investments in quoted equity securities. The fair values of available-for-sale financial assets were determined based on published prices in an active market.

The movement in "Net changes in fair values of available-for-sale financial assets" account presented in the equity section of the consolidated balance sheets is as follows:

	2015	2014
Balances at beginning of year	**₱1,768,846**	₱1,586,037
Mark-to-market gain (loss) attributable to equity holders of the Parent Company	**(666,306)**	182,809
Balances at end of year	**₱1,102,540**	₱1,768,846

Mark-to-market gain on available-for-sale financial assets pertaining to the non-controlling interests amounted to ₱0.11 million and ₱0.16 million in 2015 and 2014, respectively. In 2013, market loss on available for sale financial assets pertaining to non-controlling interest amounted to ₱0.03 million.

Dividend income from available-for-sale financial assets amounted to ₱29,133, ₱31,833 and ₱41,002 in 2015, 2014 and 2013, respectively (see Note 20).

Deposits and others represent payments made by the Group to various utility companies for the installation of electric and water meters for unsold condominium units.

13. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	2015	2014
Trade payables	**₱104,641,531**	₱106,092,177
Customers' deposits (Note 12)	**27,989,796**	80,442,430
Accrued expenses:		
Development costs	**82,306,648**	32,808,908
Sick leave (Note 23)	**18,550,395**	17,655,673
Director's fee	**14,155,603**	14,497,697
Interest payable	**1,836,306**	1,559,602
Taxes, premiums, others	**3,768,505**	2,313,073
Dividends payable	**8,783,113**	8,066,939
Withholding taxes payable	**5,468,969**	6,810,303
Customers' reservation fees	**3,479,054**	2,645,323
Deferred rent income	**2,226,308**	2,771,526
VAT payable	**29,611**	1,229,992
Others (Note 25)	**7,117,293**	5,397,785
	280,353,132	282,291,428
Less noncurrent portion	**68,500,778**	59,570,075
	₱211,852,354	₱222,721,353

Trade payables consist of payables to suppliers, contractors and other counterparties. Customers' deposits consist of rental deposits and collected deposits for water and electric meters of the sold units. Accrued development costs represent the corresponding accrued expenses for the completed

and sold condominium units of the Group. Deferred rent income pertains to rent received from long-term operating lease. Other payables consist of payable to related parties and employees.

14. Notes and Contracts Payable

The details of notes and contracts payable are as follows:

	2015	2014
Notes payable on short-term commercial papers (STCP) with varying maturities and annual interest rates ranging from 1.06% to 1.25% in 2015 and 0.69% to 1.56% in 2014	**₱1,135,200,000**	₱1,215,300,000
Contracts payable	**52,750,000**	112,500,000
	₱1,187,950,000	₱1,327,800,000

On various dates in 2015 and 2014, the SEC authorized the Parent Company and CLDI to issue total aggregated amount of ₱1.30 billion and ₱1.60 billion, respectively, worth of STCP registered with the SEC in accordance with the provision of the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other applicable laws and orders. Outstanding STCP issued by the Parent Company and CLDI as of December 31, 2015 and 2014 aggregated to ₱1.14 billion and ₱1.22 billion, respectively.

Interest expense related to STCP amounted to ₱13.32 million, ₱13.12 million and ₱33.26 million in 2015, 2014 and 2013, respectively (see Note 21). Capitalized borrowing costs amounted to ₱7.68 million, ₱7.78 million and ₱8.59 million in 2015, 2014 and 2013, respectively (see Notes 8, 10 and 21). Total interest paid amounted to ₱6.64 million, ₱6.83 million and ₱34.27 million in 2015, 2014 and 2013, respectively.

The Group and CI have credit lines with financial institutions aggregating to about ₱2.45 billion and ₱2.80 billion as of December 31, 2015 and 2014, respectively, which is available for drawing by any of the companies in the Group. No loans were availed from the credit line in 2015 and 2014.

The Parent Company has specific credit lines amounting to ₱500.00 million in 2015 and 2014.

The carrying values of properties that will be used as collaterals as of December 31, 2015 and 2014 follow (amounts in millions):

	2015	2014
Investment properties		
Group	**₱456.51**	₱554.34
Company	**291.69**	291.75
Real estate properties for sale		
Group	–	0.74
Company	–	0.74
Total		
Group	**₱456.51**	₱555.08
Company	**291.69**	292.49

Contract payable amounting to ₱52.75 million as of December 31, 2015 represents liability arising from a contract entered into by the Parent Company in September 2015 to purchase a land

included under investment properties (see Note 10). The said liability is noninterest-bearing and was fully settled on February 18, 2016.

Contract payable amounting to ₱112.50 million as of December 31, 2014 represents liability arising from a contract entered into by CLDI in September 2014 to purchase a land for future development (see Note 9). The said liability is noninterest-bearing and was fully settled on February 27, 2015.

15. Equity

a. The Parent Company registered 10,000,000 shares with SEC on June 15, 1978 with an initial offer price of ₱10.00. On July 27, 2012, the SEC approved the Amended Articles of Incorporation on the application for increase in authorized capital stock from ₱3.00 billion to ₱4.00 billion with a par value of ₱1.00 each. As of December 31, 2015 and 2014, the Parent Company has 3,573,878,400 shares held by 686 equity holders and 691 equity holders, respectively.

The following table summarizes the reconciliation of the issued and outstanding shares of capital stock for each of the following:

	2015	2014	2013
Issued, beginning of year	**3,573,878,400**	3,403,786,340	3,241,793,886
Treasury stock	**(4,021,067)**	(4,021,067)	(3,921,874)
Outstanding	**3,569,857,333**	3,399,765,273	3,237,872,012
Stock dividends	**–**	170,092,060	161,992,454
	3,569,857,333	3,569,857,333	3,399,864,466
Treasury stock	**4,021,067**	4,021,067	3,921,874
Issued, ending of year	**3,573,878,400**	3,573,878,400	3,403,786,340

Treasury stock includes 2,083,122 shares in 2015 and 2014, held by CPI.

b. Dividends declared and issued/paid by the Parent Company in 2015, 2014, and 2013 are as follows:

Dividends	Date Approved	Per Share	Stockholders of Record Date	Date Issued/Paid
Cash	May 28, 2015	₱0.027	June 26, 2015	July 22, 2015
	May 30, 2014	0.03	June 24, 2014	July 18, 2014
	June 4, 2013	0.03	June 19, 2013	July 15, 2013
Stock	April 21, 2014	5%	July 3, 2014	July 30, 2014
	April 25, 2013	5%	July 4, 2013	July 30, 2013

No stock dividends were declared in 2015.

Fractional shares of stock dividends were paid in cash based on the par value.

The SEC approved the issuance of 5% stock dividends declared by the BOD in 2014 and 2013.

c. As of December 31, 2015 and 2014, the retained earnings attributable to equity holders of the Parent Company and the non-controlling interest include the remaining balance of deemed cost adjustment which arose when the Group transitioned to PFRS in 2005.

The components of the net deemed cost adjustment - net of deferred income tax liabilities included in equity as of December 31 are as follows:

	2015	2014
Real estate properties for sale (Note 8)	**₱45,583,898**	₱86,496,515
Investment properties (Note 10)	**219,825,103**	219,825,103
Property and equipment (Note 11)	**7,592,168**	10,015,032
Deemed cost adjustment	**273,001,169**	316,336,650
Deferred income tax liability (Note 24)	**(81,900,353)**	(94,900,995)
Net deemed cost adjustment	**₱191,100,816**	₱221,435,655

The net deemed cost adjustment is allocated in the consolidated statements of changes in equity as follows:

	2015	2014
Attributable to:		
Equity holders of the Parent Company	**₱185,156,199**	₱215,491,038
Non-controlling interest	**5,944,617**	5,944,617
	₱191,100,816	₱221,435,655

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

	2015	2014
Undistributed earnings of subsidiaries	**₱909,075,494**	₱881,735,900
Net deemed cost adjustment in properties	**191,100,816**	221,435,655
Cost of treasury shares	**31,157,595**	31,150,762
Deferred income tax assets	**10,808,184**	10,163,969
	₱1,142,142,089	₱1,144,486,286

16. Material Partly-owned Subsidiary

Below are the summarized financial information of the subsidiaries that have non-controlling interests that are material to the Group. The amounts disclosed are based on those financial information included in the consolidated financial statements before intercompany eliminations.

Proportion of equity interest held by non-controlling interests as of December 31, 2015 and 2014:

CLDI	50.27%
CPI	9.19%

As of December 31, the summarized balance sheets of subsidiaries are as follows:

	CLDI		CPI	
	2015	2014	**2015**	2014
Total assets	**₱1,917,126,685**	₱2,003,111,259	**₱313,812,747**	₱319,467,651
Total liabilities	**145,688,460**	281,395,579	**59,026,685**	65,212,800
Equity	**1,771,438,225**	1,721,715,680	**254,786,062**	254,254,851
Attributable to non-controlling interests	**887,587,411**	862,591,694	**26,064,393**	25,741,435

Summarized statements of income for the years ended December 31 are as follows:

	CLDI		CPI	
	2015	2014	**2015**	2014
Revenue	**₱225,914,019**	₱327,250,875	**₱14,138,695**	₱17,098,279
Expenses	**136,008,103**	205,130,929	**11,933,771**	15,526,468
Provision for (benefit from) income tax	**18,980,326**	28,496,982	**(235,262)**	55,393
Net income	**70,925,590**	93,622,964	**2,440,186**	1,516,418
Attributable to non-controlling interests	**35,654,294**	47,064,264	**201,074**	139,359
Cash dividends paid to non-controlling interest	**10,228,010**	34,256,500	–	–

Summarized statements of comprehensive income for the years ended December 31 are as follows:

	CLDI		CPI	
	2015	2014	**2015**	2014
Net income	**₱70,925,590**	₱93,622,964	**₱2,440,186**	₱1,516,418
Other comprehensive loss	**(856,512)**	(2,369,156)	**(1,908,975)**	(2,854,209)
Total comprehensive income (loss)	**70,069,078**	91,253,808	**531,211**	(1,337,791)
Attributable to non-controlling interests	**35,223,726**	45,873,289	**146,072**	98,496

Summarized statements of cash flows for the years ended December 31 are as follows:

	CLDI		CPI	
	2015	2014	**2015**	2014
Cash flows from operating activities	**₱109,784,245**	₱206,399,777	**₱7,175,866**	₱8,513,329
Cash flows from (used in) investing activities	**(417,820,039)**	252,326,314	**(38,032,203)**	18,668,634
Cash flows used in financing activities	**(84,971,892)**	(238,044,848)	–	–

17. Operating Expenses

Operating expenses consist of:

	2015	2014	2013
Personnel (Note 18)	**₱162,173,610**	₱109,405,231	₱185,875,299
Professional fees	**41,090,490**	25,180,631	35,312,756
Taxes and licenses	**31,548,305**	44,393,073	47,011,916
Depreciation (Note 19)	**25,111,714**	29,582,913	16,710,266
Outside services	**13,350,710**	9,722,477	9,529,062
Light, power and water	**13,143,583**	4,618,465	4,731,784
Membership dues	**9,121,455**	6,785,832	14,030,786
Insurance (Notes 6 and 14)	**9,106,085**	16,825,534	24,868,282
Advertising and promotions	**7,212,462**	7,962,202	8,858,564
Rent expense	**5,132,041**	4,057,430	4,522,038

(Forward)

	2015	2014	2013
Repairs and maintenance	**₱4,819,660**	₱5,796,424	₱4,576,107
Brokers' commission	**4,785,840**	10,158,264	5,945,532
Postage, telephone and telegraph	**2,328,192**	1,698,060	2,420,000
Stationery and office supplies	**1,351,044**	1,602,608	2,121,291
Donations	**–**	–	1,862,546
Others	**10,276,223**	13,335,029	13,654,087
	₱340,551,414	₱291,124,173	₱382,030,316

Others include rent, transportation and miscellaneous expenses.

18. Personnel Expenses

Personnel expenses consist of:

	2015	2014	2013
Salaries and wages	**₱70,348,958**	₱52,780,043	₱101,779,235
Bonuses and other employee benefits	**58,359,689**	30,151,314	48,125,728
Commissions	**31,950,064**	24,594,970	33,953,151
Retirement benefits costs (Note 23)	**1,514,899**	1,878,904	2,017,185
	₱162,173,610	₱109,405,231	₱185,875,299

19. Depreciation

Depreciation consists of:

	2015	2014	2013
Investment properties (Note 10)	**₱20,516,597**	₱16,647,196	₱3,403,855
Property and equipment (Note 11)	**4,595,117**	12,935,717	13,306,411
	₱25,111,714	₱29,582,913	₱16,710,266

20. Financial Income

Financial income consists of:

	2015	2014	2013
Interest income from:			
Installment contracts receivable (Note 6)	**₱222,813,451**	₱236,313,306	₱289,986,626
Cash equivalents and short-term cash investments (Note 4)	**60,184,782**	39,226,488	75,218,273
Cash in banks (Note 4)	**96,935**	64,507	65,476
Others	**1,391,177**	2,312,321	3,787,603
Dividend income (Note 12)	**29,133**	31,833	41,002
	₱284,515,478	₱277,948,455	₱369,098,980

21. Financial Expenses

Financial expenses consist of:

	2015	2014	2013
Interest expense on:			
STCP (Note 14)	**₱13,320,460**	₱13,123,814	₱33,262,934
Capitalized borrowing costs (Notes 8, 10 and 14)	**(7,681,640)**	(7,775,111)	(8,586,194)
	5,638,820	5,348,703	24,676,740
Others	**1,280,439**	618,562	146,692
	6,919,259	5,967,265	24,823,432
Finance charges	**1,079,002**	899,225	1,254,672
	₱7,998,261	₱6,866,490	₱26,078,104

22. Other Income/Expenses

Other income
Other income amounting to ₱98.00 million, ₱65.75 million and ₱149.82 million in 2015, 2014 and 2013, respectively, pertains to trust fund income, penalties for customers' late payments, sale of scraps and forfeiture of reservations/downpayments received on sales which were not consummated.

In 2013, CLDI reversed ₱119.74 million excess of estimated development cost over the actual cost of completed projects and was recognized as other income.

Other expenses
Other expenses pertain to loss due to forfeiture/cancellation of sales.

23. Employee Benefits

Retirement benefits cost
The Group, jointly with affiliated companies, has funded, noncontributory defined benefit retirement plan, administered by trustee covering all of its permanent employees. This provides for payment of benefits to covered employees upon retirement subject to certain condition which is based on a certain percentage of employee's final monthly salary and the number of years of service. The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The details of net retirement benefits cost, which is included in "Personnel expense" account (see Note 18), are as follows:

	2015	2014	2013
Current service cost	**₱2,194,482**	₱2,204,657	₱2,638,269
Interest cost income on defined benefit obligation	**(679,583)**	(336,047)	(621,084)
Interest income on the asset ceiling adjustment beginning	**–**	10,294	–
Net retirement benefits cost	**₱1,514,899**	₱1,878,904	₱2,017,185

Re-measurement loss (gain) recognized in the consolidated statements of comprehensive income follows:

	2015	2014	2013
Actuarial loss (gain) on defined benefit obligation:			
Due to experience	**₱3,197,545**	₱4,466,283	(₱2,831,791)
Due to change in financial assumption	**(3,144,659)**	(628,249)	(3,702,869)
Due to change in demographic assumption	**166,479**	–	–
Loss on plan assets excluding amounts included in net interest cost	**4,453,571**	1,699,176	1,881,640
Changes in effect of asset ceiling	**–**	(10,526,401)	10,084,295
Re-measurement loss (gain) on defined benefit obligation	**₱4,672,936**	(₱4,989,191)	₱5,431,275

The details of the net retirement plan assets are as follows:

	2015	2014
Defined benefit obligation	**₱43,465,586**	₱41,904,437
Fair value of plan assets	**55,421,025**	56,352,541
Net retirement plan assets	**₱11,955,439**	₱14,448,104

The breakdown of net retirement plan assets as of December 31 per entity follows:

	2015	2014
Retirement plan assets:		
Parent Company	**₱16,746,182**	₱18,813,805
CPI	**502,148**	525,174
	17,248,330	19,338,979
Retirement benefits liability - CLDI	**(5,292,891)**	(4,890,875)
Net retirement plan assets	**₱11,955,439**	₱14,448,104

Movements in net retirement plan assets are as follows:

	2015	2014
Beginning balances	**₱14,448,104**	₱7,642,647
Retirement benefits cost	**(1,514,899)**	(1,878,904)
Re-measurement gain (loss)	**(4,672,936)**	4,989,191
Contributions	**3,695,170**	3,695,170
Ending balances	**₱11,955,439**	₱14,448,104

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

	2015	2014
Defined benefit obligation, January 1	**₱41,904,437**	₱38,646,103
Current service cost	**2,194,482**	2,204,657
Interest cost on benefit obligation	**1,934,282**	1,716,453
Benefits paid	**(2,786,980)**	(4,500,810)
Actuarial losses	**219,365**	3,838,034
Defined benefit obligation, December 31	**₱43,465,586**	₱41,904,437

Changes in fair value of plan assets are as follows:

	2015	2014
Fair value of plan assets, January 1	**₱56,352,541**	₱56,373,045
Actual return (loss) including amount recognized in net interest cost	**(1,839,706)**	785,136
Contributions to the plan	**3,695,170**	3,695,170
Benefits paid	**(2,786,980)**	(4,500,810)
Fair value of plan assets, December 31	**₱55,421,025**	₱56,352,541

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

	2015	2014
Cash and cash equivalents	**44.81%**	40.50%
Investments in equity securities	**6.36%**	9.14%
Investment properties	**48.70%**	49.63%
Receivables	**0.64%**	1.22%
Payables	**(0.51%)**	(0.49%)
	100.00%	100.00%

Cash and cash equivalents consist of saving deposits and short-term time deposits with maturities of less than 3 months. Investments in equity securities consist of investment in shares of stock of listed companies. Investments in equity securities have quoted market prices in an active market. Loans and receivables include loans to individuals and accrued interest income. Investment properties pertain to condominium units which will be used for lease and are stated at fair value (see Note 25).

The Group expects to contribute ₱3.70 million to the retirement fund in 2016.

The Group does not currently employ any asset-liability matching.

The latest actuarial valuation report is as of December 31, 2015. The principal assumptions used in determining retirement benefits cost for the Group's plan as of January 1 are as follows:

	2015	2014
Discount rate per annum	**4.50%-4.78%**	4.37%-4.86%
Future annual increase in salary	**3.00%**	3.00%
Number of employees	**195**	222
Mortality rate	**1994 GAM***	1983 GAM*
Disability rate	**1952 Disability Study**	1952 Disability Study

**Group Annuity Mortality Table*

As of December 31, 2015, the discount rate is 5.20% and the future increase in salary is 3.00%.

The defined benefit obligation is subject to several key assumptions. The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2015 and 2014, assuming if all other assumptions were held constant.

	Increase (decrease) in basis points (bps)	Increase (decrease) in defined benefit obligation	
		2015	2014
Discount rate	+0.50%	**(₱2,737,610)**	(₱2,795,929)
	-0.50%	**3,000,124**	3,078,920
Salary increase rate	+1.00%	**2,515,300**	6,317,287
	-1.00%	**(5,243,867)**	(5,045,624)

Shown below is the maturity analysis of the undiscounted expected benefit payments:

Plan year	No. of Retirees	Total Benefit
One year and less	–	₱–
More than one year to five years	3	3,110,379
More than five years to 10 years	14	31,662,272
More than 10 years to 15 years	24	54,146,533
More than 15 years to 20 years	24	52,019,725
More than 20 years	130	281,894,565
	195	422,833,474

The average duration of the defined benefit obligation as of December 31, 2015 is 19.67 years.

Accrued sick leave
Employees are entitled to paid sick leave of 15 days per year of service after issuance of regular appointment computed at 1.25 days per month of service, enjoyable only after one (1) year of regular service. Unused sick leaves are cumulative and convertible to cash based on the employee's salary at the time that the employee is leaving the Group. Accrued sick leave, presented under "Accounts payable and accrued expenses - net of current portion" account, amounted to ₱18.55 million and ₱17.66 million as of December 31, 2015 and 2014, respectively (see Note 13).

24. Income Taxes

a. Provision for income tax consists of:

	2015	2014	2013
Current	**₱250,794,430**	₱137,403,350	₱209,793,135
Deferred	**(2,540,241)**	(25,085,386)	(97,575,677)
	248,254,189	112,317,964	112,217,458
Final tax on interest income	**12,056,343**	7,858,199	15,056,750
	₱260,310,532	₱120,176,163	₱127,274,208

b. The components of the net deferred income tax liabilities are as follows:

	2015	2014
Deferred income taxes recognized in profit or loss:		
Deferred income tax assets on accrued expenses and others	**₱10,808,184**	₱10,326,193
Deferred income tax liabilities:		
Deemed cost adjustment in properties (Note 15)	**73,568,981**	83,063,639
Unrealized gain on real estate transactions	**77,850,430**	72,782,234
Net retirement plan assets	**12,065,120**	11,411,044
Capitalized borrowing costs	**5,377,530**	3,928,620
Unearned rent revenue	**4,231,796**	3,966,570
	173,093,857	175,152,107
	162,285,673	164,825,914
Deferred income tax asset recognized in other comprehensive income - actuarial loss on defined benefit plan	**(8,478,326)**	(7,076,445)
Deferred income tax liability recognized in retained earnings upon realization - deemed cost adjustment	**8,331,368**	11,837,352
Net deferred income tax liabilities	**₱162,138,715**	₱169,586,821

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

	2015	2014	2013
Income tax at statutory tax rate	**₱310,824,290**	₱161,350,415	₱194,039,976
Adjustments to income tax resulting from:			
Tax-exempt interest income	**(29,725,171)**	(30,033,406)	(40,074,206)
Net income entitled to tax holiday (Note 30)	**(19,957,462)**	(13,348,506)	(36,457,556)
Interest income subjected to final tax	**(18,084,516)**	(11,787,299)	(22,585,124)
Final tax on interest income	**12,056,343**	7,858,199	15,056,750
Nondeductible interest expense	**4,050,341**	2,684,342	6,553,819
Trust fund income already subjected to final tax	**(143,121)**	(459,647)	(534,044)
Nontaxable dividend income	**(8,740)**	(9,550)	(12,301)
Others – net	**1,298,568**	3,921,615	11,286,894
Provision for income tax	**₱260,310,532**	₱120,176,163	₱127,274,208

25. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible

related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Group discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.

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

	Amount of Transactions			Outstanding Balances				
				Receivable (Note 7)		Payable (Note 13)		Terms and
Nature of Transaction	**2015**	2014	2013	**2015**	2014	**2015**	2014	Conditions
Ultimate parent (CI)								
Sharing of expenses charged by the Company (b)	**₱400,955**	₱1,821,302	₱10,555,661	**₱–**	₱3,192,155	**₱1,492,560**	₱411	30-day, unsecured, non-interest bearing; to be settled in cash
Subsidiaries (CLDI & CPI)								
Sale of real estate properties to CPI (c)	–	–	20,486,300	–	–	–	–	Received in cash
Sharing of expenses charged by (to) the Company (b)	**187,172**	(388,445)	1,318,035	–	–	–	–	30-day, unsecured, non-interest bearing; to be received or settled in cash; no impairment
Retirement Plan (d)								
Group/Company's shares held by retirement plan	**47,668,357**	50,163,207	51,822,727	–	–	–	–	Settled in cash; no impairment
Contribution to the plan	**3,695,170**	3,695,170	3,309,821	–	–	–	–	Settled in cash
Key management personnel								
Salaries and other compensation (f)	**21,923,723**	18,206,578	24,160,992	–	–	–	–	Settled in cash
Long-term employee benefits (f)	**776,742**	563,000	762,587	–	–	–	–	Settled in cash
BOD								
Shares of stock held by BOD (e)	**(3,737,771)**	40,241,112	84,859,863	–	–	–	–	Pertains to 858,125,881 and 861,863,592 common shares at ₱1 par value in 2015 and 2014, respectively
Total				**₱–**	₱3,192,155	**₱1,492,560**	₱411	

a. The Group has an existing management contract with CI wherein the latter provides management services to the Group. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other party six months prior to expiration. Management fee is based on a certain percentage of net income as mutually agreed upon by both parties. Management fees for 2015, 2014 and 2013 were waived by CI. There are no conditions attached to the waiver of these management fees.

b. The Group has various shared expenses with other affiliates pertaining to general and administrative expenses such as salaries, transportation, association dues, professional fees and rent.

c. In 2013, the Parent Company sold real estate properties to CPI amounting to ₱20.49 million.

d. The Group, jointly with affiliated companies under common control, has a trust fund for the retirement plan of their employees. The trust fund is being maintained by a third party trustee bank under the supervision of the Retirement Committee of the plan. The committee is responsible for the investment strategy of the plan. The Group's share on the fair value of plan assets amounted to ₱47.67 million and ₱50.16 million as of December 31, 2015 and 2014, respectively. The Group's share on the carrying value of plan assets is equivalent to its share on the fair value.

The major categories of plan assets are cash and cash equivalents, investments in equity securities and loans and receivables (see Note 23). Investments in equity securities of plan assets include investment in shares of the Parent Company. The third-party trustee bank exercises the voting rights over the shares. The fair value of the investment in the Parent Company amounted ₱4.76 million and ₱4.71 million as of December 31, 2015 and 2014, respectively, with original cost of ₱3.16 million. Unrealized gain on changes of fair value of these investments amounted to ₱1.61 million and ₱1.56 million as of December 31, 2015 and 2014, respectively. Loans and receivables of plan assets include installment contracts receivable purchased in prior years on a non-recourse basis from the Parent Company amounting to ₱0.49 million and ₱0.91 million as of December 31, 2015 and 2014, respectively. In 2013, the retirement plan purchased condominium units amounting to ₱36.78 million from CDC which were used for lease. The sale is conducted in the normal course of business and made on an arm's length basis which is valued and measured at current selling price and settled in cash.

Contributions to the fund amounted to ₱3.70 million in 2015 and 2014 (see Note 23).

e. The Parent Company's shares held by members of the BOD aggregated to 858,125,881 and 861,863,592 as of December 31, 2015 and 2014, respectively. On the other hand, shares held by the ultimate parent and affiliate totaled 1,800,826,325 as of December 31, 2015 and 2014.

f. Compensation of key management personnel are as follows:

	2015	2014	2013
Short-term benefits:			
Salaries	**₱6,890,719**	₱5,832,772	₱7,593,750
Bonuses	**1,806,125**	1,469,743	1,725,709
Other benefits	**13,226,879**	10,904,063	14,841,533
Long-term benefits	**776,742**	563,000	762,587
	₱22,700,465	₱18,769,578	₱24,923,579

The Group has no standard arrangements with regard to the remuneration of its directors. In 2015, 2014 and 2013, the BOD received a total of ₱20.28 million, ₱21.79 million and ₱27.75 million, respectively. Moreover, the Group has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Group does not have any arrangements for stock warrants or options offered to its employees.

g. The following are the balances and transactions among related parties which are eliminated during consolidation:

Amounts owed by	Amounts owed to	Nature	**2015**	2014
Parent Company	CLDI	Sharing of expenses	**₱1,571,529**	₱1,037,651
CPI	Parent Company	Sharing of expenses	**53**	–
CPI	Parent Company	Sale of real estate properties	–	810,000
CLDI	Parent Company	Sharing of expenses	–	372,283
CPI	CLDI	Sharing of expenses	–	23,210

Revenue and income by	Capitalizable cost and expense by	Nature	**2015**	2014	2013
CLDI	Parent Company	Interest charges on advances	**₱103,920**	₱110,904	₱85,059
Parent Company	CLDI	Interest charges on advances	**16,949**	12,557	1,172
Parent Company	CPI	Sale of real estate properties	–	–	19,238,651

Dividend declared to	Dividend declared by	**2015**	2014	2013
Parent Company	CLDI	**₱10,118,140**	₱33,888,517	₱44,377,996
CPI	Parent Company	**56,244**	59,518	56,684

26. Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, short-term cash investments and notes and contracts payable. The main purpose of these financial instruments is to finance the Group's operations. The Group's other financial instruments consist of available-for-sale financial assets, which are held for investing purposes and investments in trust funds to cover pre-need reserves obligation. The Group has various other financial instruments such as installment contracts receivable, other receivables and accounts payable and accrued expenses which arise directly from its operations.

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

The main risks arising from the Group's financial instruments are market risk (i.e., cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

Market risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's short-term notes payable, all with repriced interest rates.

The Group's policy in addressing volatility in interest rates includes maximizing the use of operating cash flows to be able to fulfill principal and interest obligations even in periods of rising interest rates.

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates based on forecasted and average movements of interest rates (with all other variables held constant):

	Change in bps	Effect on Income before Income Tax
December 31, 2015	**-/+11 bps**	**+/-₱12,663,156**
December 31, 2014	-/+22 bps	+/-26,831,393

There is no impact on the Group's equity other than those already affecting income before income tax.

Equity price risk
Equity price risk is the risk that the fair values of investments in equity securities will decrease as a result of changes in the market values of individual shares of stock. The Group is exposed to equity price risk because of investments held by the Group classified as available-for-sale financial assets included under "Other noncurrent asset account" in the consolidated balance sheets. The Group employs the service of a third-party stock broker to manage its investments in shares of stock.

The following table demonstrates the sensitivity analysis of the Group's equity to a reasonably possible change in equity price based on forecasted and average movements of equity prices (with all other variables held constant):

	Change in equity price	Effect on equity
2015	**+/-₱0.14**	**+/-₱211,679**
2014	+/-0.06	+/-103,733

Credit risk
Credit risk arises when the Group will incur a loss because its customers, clients or counterparties fail to discharge their obligations. The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the objective that the Group's exposure to bad debts is not significant. The Group's policy is to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk within the Group.

The tables below show the Group's exposure to credit risk for the components of the consolidated balance sheets. The exposure as of December 31, 2015 and 2014 is shown at gross, before taking the effect of mitigation through the use of collateral agreements and other credit enhancements, and at net, after taking the effect of mitigation through the use of collateral agreements and other credit enhancements.

December 31, 2015:

	Gross maximum exposure	Fair value of collaterals	Net exposure	Financial effect of collateral/credit enhancements
Financial assets at fair value through profit or loss:				
Investments in trust funds	**₱37,330,485**	**₱–**	**₱37,330,485**	**₱–**
Loans and receivables:				
Cash and cash equivalents, excluding cash on hand	**557,119,687**	**–**	**557,119,687**	**–**
Short-term cash investments	**2,189,900,000**	**–**	**2,189,900,000**	**–**
Installment contracts receivable	**1,747,559,310**	**3,483,495,975**	**–**	**1,747,559,310**
Refundable deposits	**18,387,106**	**–**	**18,387,106**	**–**

(Forward)

	Gross maximum exposure	Fair value of collaterals	Net exposure	Financial effect of collateral/credit enhancements
Other receivables*:				
Advances to customers	**₱30,747,262**	**₱–**	**₱30,747,262**	**₱–**
Rent receivable	**14,105,986**	**–**	**14,105,986**	**–**
Accrued interest	**9,033,019**	**–**	**9,033,019**	**–**
Retention	**1,384,420**	**–**	**1,384,420**	**–**
Others	**1,988,418**	**–**	**1,988,418**	**–**
Available for sale financial assets	**1,586,150**	**–**	**1,586,150**	**–**
Total credit risk exposure	**₱4,609,141,843**	**₱3,483,495,975**	**₱2,861,582,533**	**₱1,747,559,310**

**Excludes nonfinancial assets amounting to ₱2,714,475.*

December 31, 2014:

	Gross maximum exposure	Fair value of collaterals	Net exposure	Financial effect of collateral/credit enhancements
Financial assets at fair value through profit or loss:				
Investments in trust funds	₱37,755,350	₱–	₱37,755,350	₱–
Loans and receivables:				
Cash and cash equivalents, excluding cash on hand	1,180,066,898	–	1,180,066,898	–
Short-term cash investments	1,184,120,555	–	1,184,120,555	–
Installment contracts receivable	1,376,248,472	3,327,026,543	–	1,376,248,472
Escrow deposit	43,801,433	–	43,801,433	–
Refundable deposits	13,408,555	–	13,408,555	–
Other receivables*:				
Advances to customers	28,595,924	–	28,595,924	–
Rent receivable	13,221,900	–	13,221,900	–
Accrued interest	5,399,884	–	5,399,884	–
Retention	1,893,296	–	1,893,296	–
Others	5,613,305	–	5,613,305	–
Available for sale financial assets	1,728,888	–	1,728,888	–
Total credit risk exposure	₱3,891,854,460	₱3,327,026,543	₱2,515,605,988	₱1,376,248,472

**Excludes nonfinancial assets amounting to ₱3,021,154.*

The following tables summarize the aging analysis of receivables:

December 31, 2015:

			Past due But Not Impaired				
	Current	> One year	< 30 days	31 - 60 days	61- 90 days	Over 90 days	Total
Installment contracts receivable	**₱708,402,450**	**₱1,029,612,014**	**₱2,591,555**	**₱978,952**	**₱704,932**	**₱5,269,407**	**₱1,747,559,310**
Refundable deposits	**–**	**18,387,106**	**–**	**–**	**–**	**–**	**18,387,106**
Other receivables*:							
Advances to customers	**20,467,039**	**3,862,926**	**–**	**367,868**	**210,297**	**5,839,132**	**30,747,262**
Rent receivable	**14,105,986**	**–**	**–**	**–**	**–**	**–**	**14,105,986**
Accrued interest	**9,033,019**	**–**	**–**	**–**	**–**	**–**	**9,033,019**
Retention	**791,120**	**581,208**	**12,092**	**–**	**–**	**–**	**1,384,420**
Others	**1,728,788**	**29,756**	**229,874**	**–**	**–**	**–**	**1,988,418**
	₱754,528,402	**₱1,052,473,010**	**₱2,833,521**	**₱1,346,820**	**₱915,229**	**₱11,108,539**	**₱1,823,205,521**

**Excludes nonfinancial assets amounting to ₱2,714,475.*

December 31, 2014:

			Past due But Not Impaired				
	Current	> One year	< 30 days	31 - 60 days	61- 90 days	Over 90 days	Total
Installment contracts receivable	₱325,549,288	₱1,032,056,058	₱6,856,899	₱3,549,470	₱1,369,846	₱6,866,911	₱1,376,248,472
Escrow deposit	43,801,433	–	–	–	–	–	43,801,433
Refundable deposits	–	13,408,555	–	–	–	–	13,408,555
Other receivables*:							
Advances to customers	20,348,046	–	–	697,550	175,527	7,374,801	28,595,924
Rent receivable	13,221,900	–	–	–	–	–	13,221,900
Accrued interest	5,399,884	–	–	–	–	–	5,399,884
Retention	1,739,996	151,208	2,092	–	–	–	1,893,296
Others	3,967,335	1,460,770	185,200	–	–	–	5,613,305
	₱414,027,882	₱1,047,076,591	₱7,044,191	₱4,247,020	₱1,545,373	₱14,241,712	₱1,488,182,769

**Excludes nonfinancial assets amounting to ₱3,021,154.*

The tables below show the credit quality by class of asset for loan-related balance sheet lines, based on the Group's credit rating system:

December 31, 2015:

	Neither past due nor impaired			
	High Grade*	Medium Grade**	Past Due but not Impaired	Total
Financial asset at fair value through profit or loss - investments in trust funds	**₱37,330,485**	**₱–**	**₱–**	**₱37,330,485**
Loans and receivables:				
Cash and cash equivalents, excluding cash on hand	**557,119,687**	**–**	**–**	**557,119,687**
Short-term cash investments	**2,189,900,000**	**–**	**–**	**2,189,900,000**
Installment contracts receivable	**1,738,014,464**	**–**	**9,544,846**	**1,747,559,310**
Refundable deposits	**18,387,106**	**–**	**–**	**18,387,106**
Other receivables***:				
Advances to customers	**24,329,965**	**–**	**6,417,297**	**30,747,262**
Rent receivable	**14,105,986**	**–**	**–**	**14,105,986**
Accrued interest	**9,033,019**	**–**	**–**	**9,033,019**
Retention	**1,372,328**	**–**	**12,092**	**1,384,420**
Others	**828,574**	**929,970**	**229,874**	**1,988,418**
Available for sale financial assets	**1,586,150**	**–**	**–**	**1,586,150**
Total	**₱4,592,007,764**	**₱929,970**	**₱16,204,109**	**₱4,609,141,843**

** High Grade - financial assets with reputable counterparties and which management believes to be reasonably assured to be recoverable.*
*** Medium Grade - financial assets for which there is low risk of default of counterparties.*
****Excluding nonfinancial assets amounting to ₱2,714,475.*

December 31, 2014:

	Neither past due nor impaired			
	High Grade*	Medium Grade**	Past Due but not Impaired	Total
Financial asset at fair value through profit or loss - investments in trust funds	₱37,755,350	₱–	₱–	₱37,755,350
Loans and receivables:				
Cash and cash equivalents, excluding cash on hand	1,180,066,898	–	–	1,180,066,898
Short-term cash investments	1,184,120,555	–	–	1,184,120,555
Installment contracts receivable	1,357,605,346	–	18,643,126	1,376,248,472
Escrow deposit	43,801,433	–	–	43,801,433
Refundable deposits	13,408,555	–	–	13,408,555
Other receivables***:				
Advances to customers	20,348,046	–	8,247,878	28,595,924
Rent receivable	13,221,900	–	–	13,221,900
Accrued interest	5,399,884	–	–	5,399,884
Retention	1,891,204	–	2,092	1,893,296
Others	2,929,278	2,498,827	185,200	5,613,305
Available for sale financial assets	1,728,888	–	–	1,728,888
Total	₱3,862,277,337	₱2,498,827	₱27,078,296	₱3,891,854,460

** High Grade - financial assets with reputable counterparties and which management believes to be reasonably assured to be recoverable.*
*** Medium Grade - financial assets for which there is low risk of default of counterparties.*
**** Excludes nonfinancial assets amounting to ₱3,021,154.*

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment into two areas: individually assessed allowances and collectively assessed allowances.

The Group determines allowance for each significant receivable on an individual basis. Among the factors that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. The Group also considers the fair

value of the real estate collateralized in computing the impairment of the receivables. Receivables included in the specific assessment are those receivables under the installment contracts receivable accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

Liquidity risk

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of STCPs.

The tables below summarize the maturity analysis of the Group's financial assets held for managing liquidity and financial liabilities based on contractual undiscounted payments:

December 31, 2015:

	30 days	31-90 days	91-180 days	181-360 days	Above 1 year	Total
Financial Assets						
Cash and cash equivalents	**₱393,127,887**	**₱164,237,300**	**₱–**	**₱–**	**₱–**	**₱557,365,187**
Short-term cash investments	**608,500,000**	**1,058,000,000**	**523,400,000**	**–**	**–**	**2,189,900,000**
Installment contracts receivable	**39,322,483**	**548,500,986**	**64,845,049**	**65,278,778**	**1,029,612,014**	**1,747,559,310**
Refundable deposits	**–**	**–**	**–**	**–**	**18,387,106**	**18,387,106**
Other receivables*	**42,895,721**	**1,049,773**	**8,529,727**	**309,994**	**4,473,890**	**57,259,105**
Financial assets at FVPL	**–**	**–**	**–**	**–**	**37,330,485**	**37,330,485**
Available-for-sale financial assets	**–**	**–**	**–**	**–**	**1,586,150**	**1,586,150**
	1,083,846,091	**1,771,788,059**	**596,774,776**	**65,588,772**	**1,091,389,645**	**4,609,387,343**
Financial Liabilities						
Accounts payable and accrued expenses**	**82,333,735**	**9,280,410**	**82,914,287**	**27,762,729**	**68,500,778**	**270,791,939**
Notes payable***	**509,601,385**	**575,604,583**	**37,810,115**	**26,168,446**	**–**	**1,149,184,529**
Contracts payable	**–**	**52,750,000**	**–**	**–**	**–**	**52,750,000**
	591,935,120	**637,634,993**	**120,724,402**	**53,931,175**	**68,500,778**	**1,472,726,468**
Liquidity Position	**₱491,910,971**	**₱1,134,153,066**	**₱476,050,374**	**₱11,657,597**	**₱1,022,888,867**	**₱3,136,660,875**

**Excludes nonfinancial assets amounting to ₱2,714,475.*
*** Excludes statutory liabilities, deferred rent income and accrued interest amounting to ₱5,498,579, ₱2,226,308, and ₱1,836,306, respectively.*
**** Includes interest expense amounting to ₱13,984,529.*

December 31, 2014:

	30 days	31-90 days	91-180 days	181-360 days	Above 1 year	Total
Financial Assets						
Cash and cash equivalents	**₱**705,187,954	**₱**475,079,444	**₱–**	**₱–**	**₱–**	**₱**1,180,267,398
Short-term cash investments	357,200,000	726,920,555	100,000,000	–	–	1,184,120,555
Installment contracts receivable	41,945,016	208,003,974	36,036,474	58,206,950	1,032,056,058	1,376,248,472
Escrow deposit	43,801,433	–	–	–	–	43,801,433
Refundable deposits	–	–	–	–	13,408,555	13,408,555
Other receivables*	33,431,398	2,373,786	3,446,911	13,860,235	1,611,979	54,724,309
Financial assets at FVPL	–	–	–	–	37,755,350	37,755,350
Available-for-sale financial assets	–	–	–	–	1,728,888	1,728,888
	1,181,565,801	1,412,377,759	139,483,385	72,067,185	1,086,560,830	3,892,054,960
Financial Liabilities						
Accounts payable and accrued expenses**	151,455,326	4,553,888	40,776,935	13,563,781	59,570,075	269,920,005
Notes payable***	525,860,966	611,668,378	72,820,070	17,939,712	–	1,228,289,126
Contracts payable	112,500,000	–	–	–	–	112,500,000
	789,816,292	616,222,266	113,597,005	31,503,493	59,570,075	1,610,709,131
Liquidity Position	**₱**391,749,509	**₱**796,155,493	**₱**25,886,380	**₱**40,563,692	**₱**1,026,990,755	**₱**2,281,345,829

**Excludes nonfinancial assets amounting to ₱3,021,154*
*** Excludes statutory liabilities, deferred rent income and accrued interest amounting to ₱8,040,295, ₱2,771,526, and ₱1,559,602, respectively.*
**** Includes interest expense amounting to ₱12,989,126*

Fair Values

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

Date of valuation: December 31, 2015

	Fair value		
	Level 1	**Level 2**	**Level 3**
Assets measured at fair value			
Investment in trust fund			
Financial assets at FVPL			
Debt securities	**₱4,593,574**	**₱–**	**₱–**
Available-for-sale financial assets			
Debt securities	**18,079,464**	**–**	**–**
Equity securities - listed	**1,451,664**	**–**	**–**
Investment properties	**–**	**–**	**6,480,000**
Available-for-sale financial assets	**1,586,150**	**–**	**–**
Repossessed inventories	**–**	**69,251,182**	**–**
Assets for which fair values are disclosed			
Investment properties	**–**	**–**	**3,247,877,854**

Date of valuation: December 31, 2014

	Fair value		
	Level 1	Level 2	Level 3
Assets measured at fair value			
Investment in trust fund			
Financial assets at FVPL			
Debt securities	₱5,032,165	₱–	₱–
Available-for-sale financial assets			
Debt securities	19,566,930	–	–
Equity securities - listed	2,155,138	–	–
Investment properties	–	–	6,162,000
Available-for-sale financial assets	1,728,888	–	–
Repossessed inventories	–	69,272,980	–
Assets for which fair values are disclosed			
Investment properties	–	–	2,381,192,050

The following method and assumptions were used to estimate the fair value of each class of financial instruments, repossessed real estate properties for sale and investment properties, for which it is practicable to estimate such value.

Cash and cash equivalents, short-term cash investments, installment contracts receivable, other receivables, accounts payable and accrued expenses and notes and contracts payable

Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, short-term cash investments, other receivables, accounts payable and accrued expenses and notes and contracts payable approximate their carrying amounts. The fair value of installment contracts receivable approximate its carrying amount as it carries interest rates that approximate the interest rate for comparable instruments in the market.

Financial assets at FVPL and available-for-sale financial assets

Financial assets at FVPL and available-for-sale financial assets are stated at fair value based on quoted market prices.

Repossessed real estate properties for sale
The fair value of repossessed real estate properties for sale is based on the Group's current selling price per area/slot of the property.

Investment properties
The fair value of certain investment properties is determined using sales comparison. Sales comparison approach considers the sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use.

Another method used in determining the fair value of other land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others.

The fair value of the investment properties as of December 31, 2015 and 2014 approximates and represents the highest and best use of the said properties.

27. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. It monitors its use of capital using leverage ratios on both gross debt and net debt basis. Debt consists of short-term and long-term debt. Net debt includes short-term and long-term debt less cash and cash equivalents and short-term cash investments. The Group considers as capital the equity holders of the parent company excluding net changes in fair values of available-for-sale financial assets and accumulated re-measurement on defined benefit plan.

As of December 31, 2015 and 2014, the Group has the following ratios:

	2015	2014
Notes and contracts payable	**₱1,187,950,000**	₱1,327,800,000
Total equity holders of the parent	**6,178,999,208**	5,535,537,321
Add (Less):		
Net changes in fair values of available-for-sale financial assets	**1,102,540**	1,768,846
Accumulated re-measurement on defined benefit plan	**(16,911,507)**	(14,011,632)
	₱6,163,190,241	₱5,547,780,107
Debt to equity ratio	**0.19:1**	0.24:1

(Forward)

	2015	2014
Notes and contracts payable	**₱1,187,950,000**	₱1,327,800,000
Cash and cash equivalents	**(557,365,187)**	(1,180,267,398)
Short-term cash investments	**(2,189,900,000)**	(1,184,120,555)
	(1,559,315,187)	(1,036,587,953)
Total equity holders of the parent	**6,178,999,208**	5,535,537,321
Add (Less):		
Net changes in fair values of available-for-sale financial assets	**1,102,540**	1,768,846
Accumulated re-measurement on defined benefit plan	**(16,911,507)**	(14,011,632)
	₱6,163,190,241	₱5,547,780,107
Net debt to equity ratio	**(0.25):1**	(0.19):1

As of December 31, 2015 and 2014, the Group has no externally imposed capital requirements.

In accordance with the Rule on Minimum Public Ownership issued by the Philippine Stock Exchange requiring listed companies to maintain a 10% public float at all times, the total number of shares owned by the public as of December 31, 2015 and 2014 are 895,415,795 and 886,226,327 shares which are approximately 25.07% and 24.81%, respectively, of the total number of issued and outstanding shares of the Parent Company.

28. Basic/Diluted Earnings Per Share

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

	2015	2014	2013
Net income attributable to equity holders of the Parent	**₱739,915,065**	₱370,514,844	₱423,260,092
Weighted average number of outstanding shares	**3,571,940,453**	3,571,940,453	3,571,940,453
Basic/diluted earnings per share (a/b)	**₱0.21**	₱0.10	₱0.12

The Group has no potential dilutive common shares as of December 31, 2015, 2014 and 2013. Thus, the basic and diluted earnings per share are the same as of those dates.

29. Business Segments

The Group derives its revenues primarily from the sale and lease of real estate properties and pension plan operations. These are the operating segments classified as business groups which are consistent with the segments reported to the BOD, its Chief Operating Decision Maker (CODM).

In 2015, the Parent Company sold parcels of land located in Naic, Cavite to a domestic corporation which represents 33.01% of the Group's sales from real estate properties. In 2014, CLDI sold its property located in Quezon City to a non-stock and not-for-profit organization which represents 11.27% of the Group's sales from real estate properties. Aside from these two

transactions, the Group does not have any major customers and all sales and leases of real estate properties and sales of pension plans are made to external customers.

Segment Revenue and Expenses

	2015			
	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Pension Plan Operations**	**Total**
Revenue:				
Sales of real estate	**₱2,371,262,489**	**₱–**	**₱–**	**₱2,371,262,489**
Financial income	**284,118,068**	**–**	**397,410**	**284,515,478**
Rent income	**3,481,183**	**79,776,585**	**–**	**83,257,768**
Other income	**97,208,258**	**–**	**796,061**	**98,004,319**
Cost of real estate sales	**1,422,019,784**	**–**	**–**	**1,422,019,784**
Operating expenses:				
Personnel	**161,154,739**	**–**	**1,018,871**	**162,173,610**
Taxes and licenses	**30,772,522**	**257,775**	**518,008**	**31,548,305**
Professional fees	**41,020,240**	**–**	**70,250**	**41,090,490**
Depreciation	**6,211,141**	**15,024,804**	**3,875,769**	**25,111,714**
Insurance	**9,105,206**	**–**	**879**	**9,106,085**
Others	**63,269,425**	**8,145,980**	**105,805**	**71,521,210**
Financial expenses	**7,989,676**	**–**	**8,585**	**7,998,261**
Other expense	**30,389,630**	**–**	**–**	**30,389,630**
Provision for (benefit from) income tax	**245,130,238**	**16,904,408**	**(1,724,114)**	**260,310,532**
Net income	**₱739,007,397**	**₱39,443,618**	**(₱2,680,582)**	**₱775,770,433**

	2014			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Revenue:				
Sales of real estate	₱1,152,448,392	₱–	₱–	₱1,152,448,392
Financial income	277,533,302	–	415,153	277,948,455
Rent income	–	87,068,104	–	87,068,104
Other income	61,694,083	–	4,059,472	65,753,555
Cost of real estate sales	706,369,456	–	7,575,063	713,944,519
Operating expenses:				
Personnel	107,157,102	–	2,248,129	109,405,231
Taxes and licenses	38,698,714	5,694,359	–	44,393,073
Professional fees	25,180,631	–	–	25,180,631
Depreciation	12,935,717	16,647,196	–	29,582,913
Insurance	16,825,534	–	–	16,825,534
Others	59,567,064	6,169,727	–	65,736,791
Financial expenses	6,866,490	–	–	6,866,490
Other expense	33,406,929	–	41,680	33,448,609
Provision for (benefit from) income tax	104,226,330	17,567,047	(1,617,214)	120,176,163
Net income	₱380,441,810	₱40,989,775	(₱3,773,033)	₱417,658,552

	2013			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Revenue:				
Sales of real estate	₱1,168,719,804	₱–	₱–	₱1,168,719,804
Financial income	368,547,008	–	551,972	369,098,980
Rent income	–	32,440,172	–	32,440,172
Other income	146,704,027	–	3,112,252	149,816,279
Cost of real estate sales	635,522,340	–	4,547,878	640,070,218
Operating expenses:				
Personnel	183,780,132	–	2,095,167	185,875,299
Taxes and licenses	42,217,617	4,098,529	695,770	47,011,916

(Forward)

	2013			
	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Professional fees	₱34,967,297	₱–	₱345,459	₱35,312,756
Depreciation	13,306,411	2,245,459	1,158,396	16,710,266
Insurance	24,867,421	–	861	24,868,282
Others	57,925,730	4,776,292	9,549,775	72,251,797
Financial expenses	26,078,104	–	–	26,078,104
Other expense	25,096,676	–	–	25,096,676
Provision for income tax	120,716,152	6,395,968	162,088	127,274,208
Net income	₱519,492,959	₱14,923,924	(₱14,891,170)	₱519,525,713

Segment Assets and Liabilities

December 31, 2015:

	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Pension Plan Operations**	**Total**
Total assets	**₱6,843,885,206**	**₱1,802,797,803**	**₱166,962,442**	**₱8,813,645,451**
Total liabilities	**1,647,150,748**	**19,597,082**	**54,246,609**	**1,720,994,439**
Additions to:				
Real estate properties held for future development	**225,498,792**	**–**	**–**	**225,498,792**
Investment Properties	**–**	**327,025,077**	**–**	**327,025,077**

December 31, 2014:

	Sales of Real Estate Properties	Lease of Real Estate Properties	Pension Plan Operations	Total
Total assets	₱6,789,804,652	₱1,334,939,913	₱177,634,309	₱8,302,378,874
Total liabilities	1,794,798,436	23,428,113	60,281,875	1,878,508,424
Additions to:				
Real estate properties held for future development	392,824,723	–	–	392,824,723
Investment properties	–	159,149,978	–	159,149,978

30. Income Subject to Income Tax Holiday

Registration with the Board of Investments (BOI)

The Group is entitled to ITH for a period of three to four years from various dates indicated in the registration or actual start of commercial operations, whichever is earlier. The ITH is limited only to revenue generated from this registered project. Revenues from units with selling price exceeding ₱3.00 million shall not be covered by the ITH.

The Group has registered the following New Developer of Low-Cost Mass Housing Projects with BOI under the Omnibus Investment Code of 1987 (Executive Order No. 226):

Name	Registration No.	Date Registered
CDC		
Pines Peak Tower I	2012-092	June 1, 2012
Grand Central Residence Tower I	2010-117	June 16, 2010
Makati Executive Tower IV	2009-016	February 12, 2009
CLDI		
North Residences	2014-111	July 25, 2014

31. **Contingencies**

The Group is contingently liable for certain lawsuits or claims filed by third parties which are either pending decisions by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Hence, no provision was recognized as of December 31, 2015 and 2014.

SGV
Building a better working world

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ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Cityland Development Corporation and subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A, and have issued our report thereon dated March 16, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Josephine H. Estomo
Partner
CPA Certificate No. 46349
SEC Accreditation No. 0078-AR-3 (Group A),
February 14, 2013, valid until April 30, 2016
Tax Identification No. 102-086-208
BIR Accreditation No. 08-001998-18-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321634, January 4, 2016, Makati City

March 16, 2016

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule I	:	Supplementary schedules required by Annex 68-E
Schedule II	:	Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)
Schedule III	:	Map of the relationships of the companies within the group
Schedule IV	:	Schedule of all effective standards and interpretation (Part 1, 4J)

SCHEDULE I

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E

Schedule A. Financial Assets

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Cash and Cash Equivalents				
Cash on hand and in banks	–	₱8,346,297	₱8,346,297	₱96,935
Cash equivalents				
United Coconut Planters Bank	–	67,500,000	67,500,000	217,813
Philippine Savings Bank	–	124,500,000	124,500,000	205,073
China Bank Savings	–	19,000,000	19,000,000	72,604
Citysavings Bank	–	73,000,000	73,000,000	93,646
Planters Development Bank	–	24,000,000	24,000,000	75,625
Sterling Bank of Asia	–	133,000,000	133,000,000	352,773
RCBC Savings Bank	–	40,000,000	40,000,000	149,931
Malayan Bank	–	16,000,000	16,000,000	19,562
Philippine Commercial Capital Inc.	–	1,018,890	1,018,890	57,215
Amalgamated Investment Bancorporation	–	38,000,000	38,000,000	99,635
United Savings Bank	–	13,000,000	13,000,000	40,069
	–	**₱557,365,187**	**₱557,365,187**	**₱1,480,881**
Short-term Cash Investments	–			
China Bank Savings	–	₱166,000,000	₱166,000,000	₱2,087
Rizal Commercial Banking Corporation	–	6,700,000	6,700,000	–
Citysavings Bank	–	312,500,000	312,500,000	10,601,977

(Forward)

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Philippine Savings Bank	–	₱188,300,000	₱188,300,000	₱4,480,740
United Savings Bank	–	199,500,000	199,500,000	928,202
Philippine Bank of Communications	–	71,500,000	71,500,000	1,726,639
Malayan Bank	–	26,000,000	26,000,000	985,107
Planters Development Bank	–	194,500,000	194,500,000	2,178,960
RCBC Savings Bank	–	393,000,000	393,000,000	8,877,142
Sterling Bank of Asia	–	25,000,000	25,000,000	3,019,911
Amalgamated Investment Bancorporation	–	22,000,000	22,000,000	1,449,656
Philippine Business Bank	–	50,000,000	50,000,000	904,375
Philippine Commercial Capital Inc.	–	47,000,000	47,000,000	900,594
Philippine National Bank	–	82,000,000	82,000,000	503,351
Security Bank Corporation	–	249,500,000	249,500,000	1,254,336
United Coconut Planters Bank	–	156,400,000	156,400,000	4,306,443
China Banking Corporation	–	–	–	9,615,021
Metrobank	–	–	–	3,264,187
Maybank	–	–	–	1,578,168
Banco De Oro	–	–	–	1,363,642
Asia United Bank	–	–	–	858,667
Union Bank	–	–	–	1,556
Philippine Veterans Bank	–	–	–	75
	–	**₱2,189,900,000**	**₱2,189,900,000**	**₱58,800,836**

(Forward)

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Available-for-sale Investments				
PLDT Common	113	₱232,780	₱232,780	₱–
Filinvest	1,445	2,615	2,615	–
Union Bank	684	39,022	39,022	–
Empire East	600,602	462,464	462,464	–
Ayala Corp. "B" Common	676	511,056	511,056	–
Ayala Corp. "B" Preferred	227	227	227	–
Ayala Land "B" Common	75	2,584	2,584	–
Ayala Land "B" Preferred	16,875	1,687	1,687	–
First Holdings B	5,126	333,446	333,446	–
Swift Foods	1,866	269	269	–
	627,689	**1,586,150**	**1,586,150**	**–**
Investments in Trust Funds	–	**37,330,485**	**37,330,485**	**–**
Installment Contracts Receivable	–	**1,747,559,310**	**1,747,559,310**	**222,813,451**
Others Receivables	–	**59,973,580**	**59,973,580**	**–**
	–	**₱4,593,714,712**	**₱4,593,714,712**	**₱283,095,168**

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)

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

Schedule C. Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
CDC (Parent)	₱1,156,760	₱1,639,034	₱2,795,794	₱–	₱–	₱–	₱–
CLDI (subsidiary)	1,060,860	20,152,999	19,642,330	–	1,571,529	–	1,571,529
CPI (subsidiary)	25,524	53	25,524	–	53	–	53

Parent Company's transactions with CLDI and CPI are eliminated in the consolidated financial statements.

Schedule D. Intangible Assets - Other Assets

Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
		Not Applicable. The Group has no intangible assets.				

Schedule E. Long-term Debt

Title of Issue and type of Obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
	Not applicable. The Group has no long-term debt.		

Schedule F. Indebtedness to Related Parties

Name of related parties	Balance at beginning of period	Balance at end of period
Not applicable. The Group has no indebtedness to related parties.		

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Not applicable. The Group has no guarantees of securities of other issuers.				

Schedule H. Capital Stock

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock – P1 par value	4,000,000,000	3,573,878,400	–	1,802,909,447	868,991,933	901,977,020

SCHEDULE II

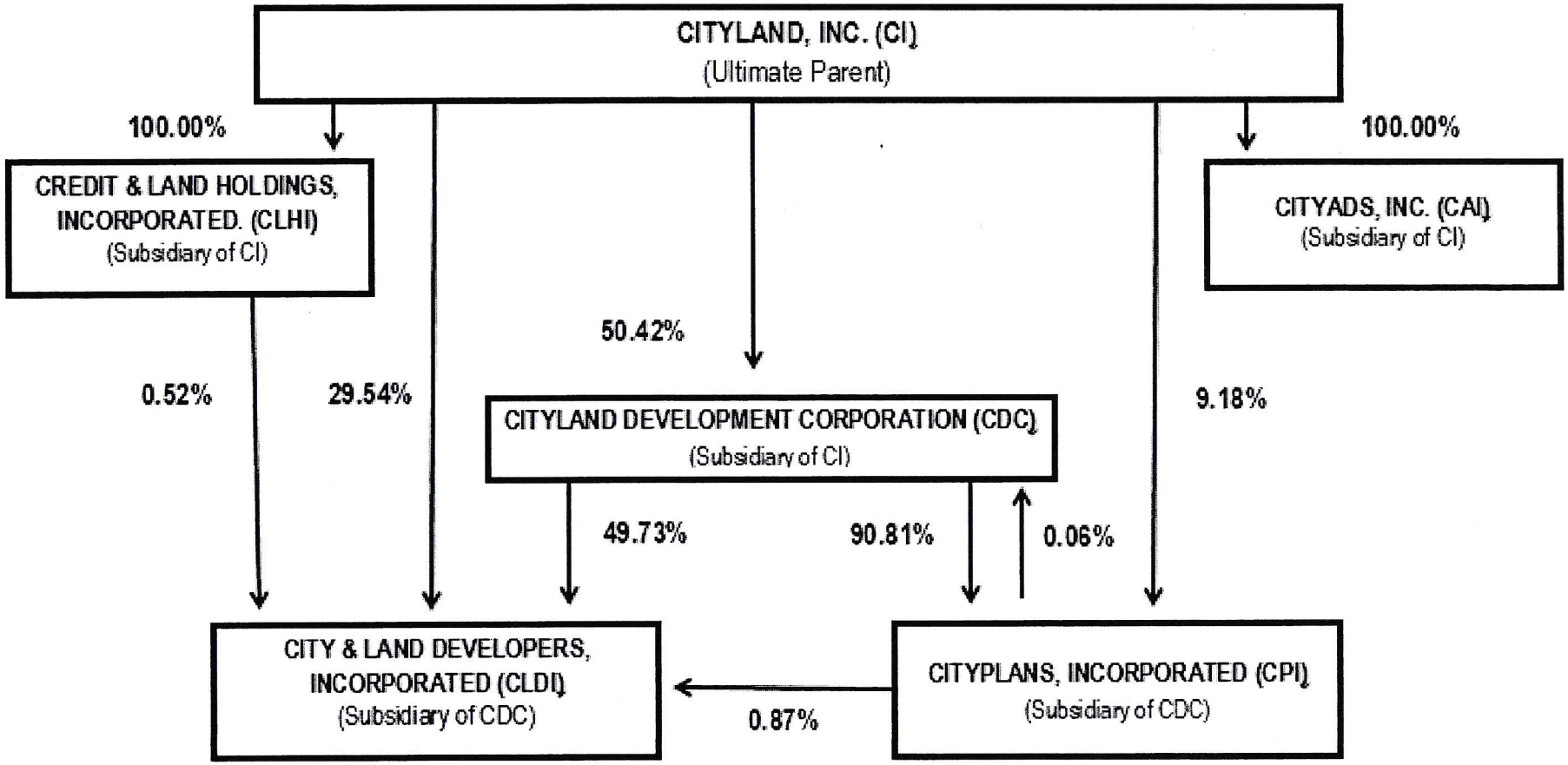
CITYLAND DEVELOPMENT CORPORATION
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2015

Unappropriated retained earnings, beginning	₱1,098,631,091
Deemed cost adjustment on real estate properties, net of tax	(209,610,269)
Treasury shares	(28,524,728)
Deferred income tax assets, beginning	(7,207,562)
Unappropriated retained earnings, as adjusted to available for dividends declaration, beginning	853,288,532
Add: Net income actually earned/realized during the year	
Net income during the year closed to retained earnings	712,775,017
Realized deemed cost adjustments on real estate properties	30,334,821
Transfer of deferred tax liability on deemed cost adjustment of property and equipment absorbed through depreciation	726,861
Transfer of deferred tax liability on deemed cost adjustment of properties realized through sale	2,779,123
Movement in deferred income tax assets	(794,332)
	745,821,490
Less: Dividends declared during the year	
Cash dividends	96,442,392
	96,442,392
Unappropriated retained earnings available for dividends declaration, end	₱1,502,667,630

SCHEDULE III

CITYLAND DEVELOPMENT CORPORATION

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



SCHEDULE IV

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS (PART 1, 4J)

List of Philippine Financial Reporting Standards (PFRSs) [which consist of PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations] and Philippine Interpretations Committee (PIC) Q&As effective as of December 31, 2015:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendments to PFRS 7: Hedge Accounting	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendments to PFRS 9: Hedge Accounting	✓		
PFRS 9 (final version)	Financial Instruments		✓	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
	Amendments to PFRS 10: Investment Entities - Applying the Consolidation Exception		✓	
PFRS 11 (Revised)	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities - Applying the Consolidation Exception		✓	
PFRS 13	Fair Value Measurement	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 16	Leases		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1, Disclosure Initiative		✓	
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses		✓	
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation		✓	
	Amendments to PAS 16: Agriculture - Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
	Amendments to PAS 28, Investment Entities: Applying the Consolidation Exception		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization		✓	
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
	Financial Assets - Effective Date and Transition			
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
	Amendment to PAS 39: Eligible Hedged Items	✓		
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting	✓		
	Amendments to PAS 39: Hedge Accounting	✓		
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
	Amendments to PAS 41: Agriculture - Bearer Plants			✓
Annual Improvements to PFRSs				
Improvements to PFRSs (2008)		✓		
Improvements to PFRSs (2009)		✓		
Improvements to PFRSs (2010)		✓		
Annual Improvements to PFRSs (2009-2011 Cycle)		✓		
Annual Improvements to PFRSs (2010-2012 Cycle)		✓		
Annual Improvements to PFRSs (2011-2013 Cycle)		✓		
Annual Improvements to PFRSs (2012-2014 Cycle)			✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		
IFRIC 18	Transfers of Assets from Customers	✓		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs	✓		

SCHEDULE V

CITYLAND DEVELOPMENT CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	December 31		
	2015	2014	2013
Current	**3.43**	2.85	2.48
Asset-to-equity	**1.42**	1.50	1.56
Debt-to-equity	**0.19**	0.24	0.28
Asset-to-liability	**5.12**	4.42	3.97
Solvency	**0.47**	0.24	0.26
Interest rate coverage	**154.37**	96.09	27.73
Acid-test ratio	**2.45**	1.74	1.68
Return on equity (%)	**12.55%**	6.69%	8.05%
Earnings per share	**₱0.21**	₱0.10	₱0.12

Manner of Calculation:

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

SCHEDULE VI

CITYLAND DEVELOPMENT CORPORATION
SCHEDULE OF GROSS AND NET PROCEEDS OF SHORT-TERM COMMERCIAL PAPERS ISSUED

SEC-MSRD Order No. 58, Series of 2014 dated November 10, 2014

A. As stated in the Final Prospectus (December 2014 to November 2015)

Gross Proceeds		**Php**	**1,400,000,000**
Less: Expenses			
Documentary Stamps Tax	7,000,000		
Registration Fees	921,625		
Legal and Accounting Fees	30,000		
Printing Costs	30,000		
Publication Fees	29,000		8,010,625
Net Proceeds		**Php**	**1,391,989,375**
Use of Proceeds			
Project-related Costs			550,000,000
Payment of Maturing Notes			828,129,375
Interest Expense			13,860,000
Total		**Php**	**1,391,989,375**

B. Use of Proceeds (December 2014 to November 2015)

Gross Proceeds		**Php**	**1,052,900,000**
Less: Expenses			
Documentary Stamps Tax	4,877,739		
Registration Fees	921,625		
Printing Costs	59,750		
Legal and Accounting Fees	30,000		
Publication Fees	29,792		5,918,906
Total Net Proceeds		**Php**	**1,046,981,094**
Less: Use of Proceeds			
Project-related Costs	332,242,611		
Payment of Maturing Notes	706,746,323		
Interest Expense	7,992,160		1,046,981,094
Balance of Proceeds as of December 31, 2015		**Php**	**--**

C. Outstanding Commercial Papers as of December 31, 2015 **Php** **558,150,000**

SEC-MSRD Order No. 76, Series of 2015 dated November 11, 2015

A. As stated in the Final Prospectus (December 2015 to November 2016)

Gross Proceeds		**Php**	**1,200,000,000**
Less: Expenses			
Documentary Stamps Tax	6,000,000		
Registration Fees	871,125		
Legal and Accounting Fees	30,000		
Publication Fees	30,000		
Printing Costs	26,000		6,957,125
Net Proceeds		**Php**	**1,193,042,875**
Use of Proceeds			
Project-related Costs			236,000,000
Payment of Maturing Notes			942,282,875
Interest Expense			14,760,000
Total		**Php**	**1,193,042,875**

B. Use of Proceeds (December 2015)

Gross Proceeds		**Php**	**490,250,000**
Less: Expenses			
Registration Fees	871,125		
Documentary Stamps Tax	559,501		
Legal and Accounting Fees	30,000		
Publication Fees	30,000		
Printing Costs	5,800		1,496,426
Net Proceeds		**Php**	**488,753,574**
Less: Use of Proceeds			
Project-related Costs	11,070,647		
Payment of Maturing Notes	473,800,000		484,870,647
Balance of Proceeds as of December 31, 2015		**Php**	**3,882,927**

C. Outstanding Commercial Papers as of December 31, 2015 **Php** **490,250,000**