

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENTINFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of the Registrant as specified in its charter **Cityland Development Corporation**
3. **Makati City, Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **77823**
5. BIR Tax Identification Code **000-527-103**
6. **2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City**
Address of principal office **1226**
Postal Code
7. Registrant's telephone number, including area code **(632) 8-893-6060**
8. Date, time and place of the meeting of security holders
- Date - **June 22, 2021**
Time - **4:00PM**
Place - **Virtually or via remote communication**
- In light of the COVID-19 global pandemic, there will be no physical venue allotted for stockholders to attend the Annual Stockholders' Meeting (ASM). Thus, the ASM will be held virtually or via remote communication. The presiding officer shall call and preside the ASM at Makati City, where the principal office of the Corporation is located.
9. Approximate date on which the Information Statement is to be first sent or given to security holders
June 1, 2021
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | <u>Title of Each Class</u> | <u>Number of Shares Outstanding</u> |
|-----------------------------------|---|
| Unclassified Common Shares | 4,623,925,680 |
| | (net of 1,937,947 treasury shares) |
11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No

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

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date	-	June 22, 2021
Time	-	4:00 PM
Place	-	Virtually or via remote communication
Principal Office	-	2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Philippines

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

Approximate date on which the Information Statement is to be first sent or given to security holders
June 1, 2021.

II. Dissenters' Right of Appraisal

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

1. Any amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of the outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. Sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
3. Merger or consolidation; and
4. Investment in another corporation, business or for any purpose other than the primary purpose for which the corporation was organized.

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

1. The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair values of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.
2. If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after the award is made; provided, further, that

upon payment by the corporation of the agreed or awarded price, the stockholder shall forth with transfer his shares to the corporation.

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

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

1. No person who has been a director or officer of the Registrant, nor a nominee for election as a director of the Registrant, nor any of their associates have a substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting, other than the election of directors for the fiscal year 2021.
2. No director has informed the Registrant in writing that he intends to oppose any action to be taken at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

IV. Voting Securities and Principal Holders Thereof

1. The Registrant has **4,623,925,680** unclassified common shares issued and outstanding (excluding treasury shares which total to **1,937,947** shares) as of **March 31, 2021**. Each common share shall be entitled to one vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.
2. The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting and also to this information statement is on **May 24, 2021**.
3. In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he owns multiplied by the number of directors to be elected. All stockholders shall have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.
4. Security Ownership of Record and Beneficial Owner and Management
 - a. Security Ownership of Record and Beneficial Owner owning more than 5% of the outstanding capital stock of the Registrant as of March 31, 2021:

Title of Class	Name, Address & Relationship with Issuer	Beneficial Owner & Relationship	Citizenship	No. of Shares Held	%
Unclassified common shares	Cityland, Inc. * 3/F Cityland Condominium 10 Tower 1,156 H.V. Dela Costa Street, Makati City - principal stockholder		Filipino	2,357,085,450	50.98%
Unclassified common shares	Grace C. Liuson 2072 Lumbang corner Cypress Streets, Dasmariñas Village, Makati City - Director / Vice Chairman of the Board	-N.A-	Filipino	213,828,571	5.34%

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

<u>Name</u>	<u>Position</u>
Stephen C. Roxas	Director / Chairman of the Board
Andrew I. Liuson	Director / Vice Chairman of the Board
Grace C. Liuson	Director / Deputy Vice Chairman of the Board
Josef C. Gohoc	Director / President

<u>Name</u>	<u>Position</u>
Peter S. Dee	Independent Director / Chairman - Audit & Risk Committee / Chairman - Corporate Governance Committee
Anastasia Y. Dy	Independent Director
Benjamin I. Liuson	Director
Helen C. Roxas	Director

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

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

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
Directors:					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	168,266,436	Direct / Indirect	Filipino	3.64%
Unclassified common shares	Stephen C. Roxas Director / Chairman of the Executive Committee	213,828,571	Direct / Indirect	Filipino	4.62%
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	246,711,953	Direct	Filipino	5.34%
Unclassified common shares	Josef C. Gohoc Director / President	111,494,272	Direct / Indirect	Filipino	2.41%
Unclassified common shares	Peter S. Dee Independent Director / Chairman - Audit & Risk Committee	591,234	Direct	Filipino	0.01%
Unclassified common shares	George Edwin Y. SyCip Independent Director / Chairman - Corporate Governance Committee	1,174	Direct	American	0.00%
Unclassified common shares	Helen C. Roxas Director	70,286,922	Direct	Filipino	1.52%
Unclassified common shares	Benjamin I. Liuson Director	498,802	Direct	Filipino	0.01%
Unclassified common shares	Eduardo C. Villanueva Independent Director <i>(effective March 10, 2021)</i>	1,000	Direct	Filipino	0.00%
Unclassified common shares	Emma A. Choa Director / Executive Vice President/ Treasurer <i>(resigned as Director effective March 10, 2021)</i>	3,122,844	Direct	Filipino	0.07%
Executive Officers:					
Unclassified common shares	Andrew I. Liuson Director / Chairman of the Board	—	—	Filipino	—
Unclassified common shares	Stephen C. Roxas Director / Chairman of the Executive Committee	—	—	Filipino	—
Unclassified common shares	Grace C. Liuson Director / Vice Chairman of the Board	—	—	Filipino	—
Unclassified common shares	Josef C. Gohoc Director / President	—	—	Filipino	—
Unclassified common shares	Emma A. Choa Executive Vice President / Treasurer	—	—	Filipino	—

Title of Class	Name of Beneficial Owner / Position	No. of Shares Held	Nature of Ownership	Citizenship	%
Unclassified common shares	Rudy Go Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer / Data Protection Officer / Investor Relations Officer	2,107,423	Direct	Filipino	0.05%
Unclassified common shares	Melita M. Revuelta Vice President / Alternate Compliance Officer & Corporate Information Officer	196,131	Direct	Filipino	0.00%
Unclassified common shares	Melita L. Tan Vice President	707,276	Direct	Filipino	0.02%
Unclassified common shares	Romeo E. Ng Vice President	2,703,354	Direct	Filipino	0.06%
Unclassified common shares	Rosario D. Perez Vice President – Executive Affairs	744,950	Direct	Filipino	0.02%
Unclassified common shares	Winefreda R. Go Vice President – Purchasing Department	8,533	Direct	Filipino	0.00%
Unclassified common shares	Atty. Emma G. Jularbal* Vice President - Legal Affairs / Corporate Secretary	4,075	Direct	Filipino	0.00%
Unclassified common shares	Dorothy U. So Assistant Vice President - Head of Internal Audit Department	3,697,117	Direct	Filipino	0.08%
Unclassified common shares	Catherine Grace T. Wong** Assistant Corporate Secretary	5,225,062	Direct	Filipino	0.11%
Security Ownership of all Directors and Officers		830,197,129			17.96%

*Retired effective April 5, 2021. Atty. Albert Anthony H. Ocampo was appointed as the Corporate Secretary effective April 5, 2021.

**Resigned effective April 5, 2021. Ms. Jocelyn C. De Asis was appointed as the Assistant Corporate Secretary effective April 5, 2021.

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

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

- d. The Registrant knows no person holding more than 5% of common shares under a voting trust or similar agreement.
- e. Percentage of ownership as of March 31, 2021:

Nationality	Number of shares	Percentage of ownership
Local-owned shares (Filipino)	4,505,927,084	97.45
Foreign-owned shares (Non-Filipino)	117,998,596	2.55
Total	4,623,925,680	100.00

V. Directors and Executive Officers

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

The following are the Directors and Executive Officers of the Company for the year 2020:

Name	Citizenship	Position(s)	Term of Office (Year)	Period of Service	Age	Family Relationship
Dr. Andrew I. Liuson	Filipino	Director Chairman of the Board	1	09/25/79 to present 12/13/17 to present	76	Husband of Grace C. Liuson; brother-in-law of Stephen C. Roxas; and brother of Benjamin I. Liuson
Stephen C. Roxas	Filipino	Director Chairman of the Executive Committee	1	09/25/79 to present 07/01/97 to present	79	Husband of Helen C. Roxas; brother of Grace C. Liuson; brother-in-law of Dr. Andrew I. Liuson; and uncle of Josef C. Gohoc
Grace C. Liuson	Filipino	Director Vice Chairman of the Board	1	09/25/79 to present 01/05/18 to present	75	Wife of Dr. Andrew I. Liuson; sister of Stephen C. Roxas; aunt of Josef C. Gohoc; and sister-in-law of Helen C. Roxas and Benjamin I. Liuson
Josef C. Gohoc	Filipino	Director President	1	01/04/11 to present 02/01/11 to present	51	Nephew of Stephen C. Roxas, Helen C. Roxas, Grace C. Liuson and Dr. Andrew I. Liuson
Peter S. Dee	Filipino	Independent Director Chairman - Audit & Risk Committee	1	10/1979 to present 08/2002 to present	78	---
George Edwin Y. SyCip	American	Independent Director Chairman - Corporate Governance Committee	1	12/13/17 to present 04/06/18 to present	64	---
Helen C. Roxas	Filipino	Director	1	09/25/79 to present	71	Wife of Stephen C. Roxas; sister-in-law of Grace C. Liuson and Dr. Andrew I. Liuson
Benjamin I. Liuson	Filipino	Director	1	06/06/19 to present	71	Brother of Dr. Andrew I. Liuson; and brother-in-law of Grace C. Liuson
Emma A. Choa	Filipino	Director	1	08/18/2020 to 03/10/2021	60	---
Rudy Go	Filipino	Executive Vice President Treasurer Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer	1	01/01/15 to present 01/01/15 to present	61	---
Melita M. Revuelta	Filipino	Data Protection Officer Investor Relations Officer Vice President Alternate Compliance Officer & Alternate Corporate Information Officer	1	08/29/17 to present 06/06/18 to present 01/16/08 to present 01/01/15 to present	62	---
Melita L. Tan	Filipino	Vice President	1	02/21/04 to present	60	---
Romeo E. Ng	Filipino	Vice President	1	01/10/05 to present	59	---
Rosario D. Perez	Filipino	Vice President - Executive Affairs	1	02/09/17 to present	61	---
Winefreda R. Go	Filipino	Vice President - Purchasing Department	1	01/05/18 to present	62	---
Atty. Emma G. Jularbal	Filipino	Vice President - Legal Affairs / Corporate Secretary	1	07/2001 to 04/04/2021 07/1997 to 04/04/2021	65	---

Name	Citizenship	Position(s)	Term of Office (Year)	Period of Service	Age	Family Relationship
Dorothy U. So	Filipino	Assistant Vice President - Head of Internal Audit Department	1	07/2001 to present	62	---
Catherine Grace T. Wong	Filipino	Assistant Corporate Secretary	1	07/01/13 to 04/04/2021	64	---

Business Experience for the Past Five Years

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

<u>Name</u>	<u>Name of Office</u>	<u>Positions</u>
GEORGE EDWIN Y. SYCIP	Halanna Management Corp.	President
	Bank of the Orient	Director
	Asian Alliance Holdings and Development Corp.	Director
	FMF Development Corporation	Director
	Paxys, Inc.	Director
	Premiere Horizon Alliance Corporation	Director
HELEN C. ROXAS	Cityland, Inc.	Director
	City & Land Developers, Incorporated	Director
	Cityplans, Incorporated	Director
	Good Tidings Foundation, Inc.	Treasurer
	MGC New Life Christian Academy	Board Member
BENJAMIN I. LIUSON	Cityland, Inc.	Director
	City & Land Developers, Incorporated	Director
	The Generics Pharmacy, Inc.	Vice Chairman
	TGP Pharma Inc.	Vice Chairman
	CL Realty Development Inc.	President
	Romans 828 Land, Inc.	President
	Silverwind Alloy Castings Inc.	Director
	Drugmakers Lab Inc.	Director
	Febias College of Bible	Trustee
	Center for Community Transformation, Inc.	Trustee
	Gospel Operation Phil. Inc.	Trustee
	Bless Foundation Inc.	Trustee
	Global Filipino Movement, Inc.	Trustee
	Makati Gospel Church	Trustee
	Jedidiah Inc.	President
Keziah Inc.	President	
EDUARDO C. VILLANUEVA	House of Representatives	Deputy Speaker for Good Governance and Moral Uprightness of the Philippine Congress
		Representative, Citizens' Battle Against Corruption (CIBAC) Party-list
	Jesus is Lord Church Worldwide	Founder/ President & Spiritual Director
	Jesus is Lord Colleges Foundation (JILCF), Inc.	Chancellor
	Jesus the Healer Foundation, Inc.	President
	Pilipinas Kay Jesus Movement Foundation, Inc.	Chairman Emeritus
	PJM Foundation, Inc.	Chairman Emeritus
	Bangon Pilipinas National Renewal Movement (ARISE PHILIPPINES)	Chairman/President
	Asia For Christ Movement (AFCM)	President
	Agape Foods Corporation	Director
	JV ZOE Agape, Inc.	Director
EMMA A. CHOA	Cityland, Inc.	Executive Vice President / Treasurer
	City & Land Developers, Incorporated	Director / Executive Vice President / Treasurer
	WorldNet Information and Services, Inc.	Treasurer
RUDY GO	Cityland, Inc.	Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer / Data Protection Officer
	City & Land Developers, Incorporated	Senior Vice President / Chief Financial Officer / Compliance Officer & Corporate Information Officer / Data Protection Officer / Investor Relations Officer
	Cityplans, Incorporated	Senior Vice President / Compliance Officer / Data Protection Officer
MELITA M. REVUELTA	Cityland, Inc.	Vice President & Asst. Corporate

<u>Name</u>	<u>Name of Office</u>	<u>Positions</u>
		Secretary / Alternate Compliance Officer & Alternate Corporate Information Officer
	City & Land Developers, Incorporated	Vice President / Alternate Compliance Officer & Alternate Corporate Information Officer
	Cityplans, Incorporated	Vice President / Alternate Compliance Officer
	WorldNet Information and Services, Inc.	President
MELITA L. TAN	Cityland, Inc.	Vice President
	City & Land Developers, Incorporated	Vice President
ROMEO E. NG	Cityland, Inc.	Vice President
	City & Land Developers, Incorporated	Vice President
ROSARIO D. PEREZ	Cityland, Inc.	Vice President - Executive Affairs
	City & Land Developers, Incorporated	Vice President - Executive Affairs
	WorldNet Information and Services, Inc.	Auditor
WINEFREDA R. GO	Cityland, Inc.	Vice President - Purchasing Department
	City & Land Developers, Incorporated	Vice President - Purchasing Department
ATTY. EMMA G. JULARBAL	Cityland, Inc.	Vice President - Legal Affairs / Corporate Secretary
	City & Land Developers, Incorporated	Vice President - Legal Affairs / Corporate Secretary
	WorldNet Information and Services, Inc.	Director / Vice President
	Servicore, Inc.	Director
	Cityland Foundation, Inc.	Trustee / Chairman
	Cityland for Social Progress Foundation, Inc.	Trustee / President
	Christian Executive, Inc.	Trustee / Corporate Secretary
DOROTHY U. SO	Cityland, Inc.	Assistant Vice President - Head of Internal Audit Department
	City & Land Developers, Incorporated	Assistant Vice President - Head of Internal Audit Department
CATHERINE GRACE T. WONG	Cityland, Inc.	Executive Secretary of Chairman of the Executive Committee
	WorldNet Information and Services, Inc.	Corporate Secretary

2. Identify Significant Employees

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

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

During the past five years up to the latest date, there 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.

4. Attendance of Board of Directors

For the year 2020, there were 24 Board of Directors' meetings. Below is the summary of the attendance of the Board of Directors:

	No. of Meetings Attended / Held		
	Regular	Special	Total
Dr. Andrew I. Liuson	4 / 4	20 / 20	24/24
Mr. Stephen C. Roxas	4 / 4	20 / 20	24/24
Mrs. Grace C. Liuson	4 / 4	20 / 20	24/24
Mr. Josef C. Gohoc	4 / 4	20 / 20	24/24
Mr. Peter S. Dee	4 / 4	20 / 20	24/24
Mr. George Edwin Y. SyCip	4 / 4	18 / 20	22/24
Mrs. Helen C. Roxas	4 / 4	19 / 20	23/24
Mr. Benjamin I. Liuson	4 / 4	20 / 20	24/24
Ms. Emma A. Choa (<i>elected on August 18, 2020</i>)	2 / 2	6 / 6	8/8

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

The material legal proceedings 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*

Cristy Katsui vs. Cityland Development Corporation

OP Case No. 15-A-001

Office of the President

Date Instituted: June 26, 2012

Cristy Katsui filed a Complaint dated June 20, 2012 which was received by Cityland on July 20, 2012, seeking an order for the rescission of the Contract to Sell over a commercial unit no. G-11 in Makati Executive Tower IV and for the return of all the amortizations paid by her and her children in the total amount of ₱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. Unfavorable decision was rendered by the HLURB and the same was elevated to the Office of the President which is now pending.

B. *City & Land Developers, Incorporated*

1. **Republic of the Philippines represented by the Department of Public Works and Highways (DPWH), through the Bureau of Design-Right of Way Office (BOD-ROWO) vs. City & Land Developers, Inc.**

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

Court of Appeals

Date Instituted: July 16, 2013

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

CLDI disputed the valuation made by the DPWH on the properties. The court issued a Decision in favor of CLDI. The DPWH thru the Office of the Solicitor General (OSG) filed

its Motion for Reconsideration which was granted by the new presiding Judge. CLDI filed its Notice of Appeal of the said Order before the Court of Appeals and filed its Appellant's Brief. Case is now submitted for resolution.

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

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

CLDI stated in its Answer that plaintiff has not proven its claim over Benedictine Street because the Deed of Donation used by the plaintiff is a falsified and/or spurious document. Furthermore, there is a Right-of-Way Agreement for Benedictine Street. Case was dismissed. However, SAVHA filed a Motion for Reconsideration which was granted. SAVHA's unnotarized Judicial Affidavit of first witness was expunged from the records of the case. SAVHA's legal counsel withdrew from the case. New counsel for SAVHA appeared. First witness of SAVHA was cross-examined by CLDI counsel – witness got confused as to identity of respondent since it appears that complainant sued the wrong corporation. SAVHA counsel moved for 15 days to amend the complaint. CLDI counsel was also granted 15 days to comment on the motion to be filed. Then matter is submitted for resolution of the Court. No dates were set for hearing.

• **PROPERTY**

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

The Group does not expect that the outcome of the 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, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

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

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

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

George Edwin Y. SyCip (Independent Director)	Peter S. Dee (Independent Director)
Eduardo C. Villanueva (Independent Director)	Josef C. Gohoc

Dr. Andrew I. Liuson
 Stephen C. Roxas
 Grace C. Liuson

Helen C. Roxas
 Benjamin I. Liuson

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

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

<u>Independent Directors</u>	<u>Nominating Stockholder</u>
George Edwin Y. SyCip	Romeo E. Ng
Peter S. Dee	Marianne M. Martin
Eduardo C. Villanueva	Jefferson C. Roxas

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

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

Mr. George Edwin Y. SyCip (Chairman)
 Mr. Stephen C. Roxas
 Dr. Andrew I. Liuson

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

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

Mr. Dee has a wide experience in banking industry as he served as President and Chief Executive Officer for almost 30 years in one of the largest banks in the Philippines. He is also a Director of the said bank and other publicly-listed companies in the country. His exposure and mastery to risk and financial management delivers insight and significant assistance to the Company.

Further, the Board deems it untimely, given the situation brought by the COVID-19 pandemic, to consider other qualified individuals to replace Mr. Dee whose valuable insights and advice helped the Company develop its key business thrusts and risk mitigation strategies. His highly respected credentials and great contributions to the Company justify the Board's decision to retain Mr. Dee as a nominee for re-election this coming 2021 Annual Stockholders' Meeting.

7. Procedures for Nomination and Election of Independent Directors

- a. Nomination of independent directors shall be conducted by the Corporate Governance Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

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

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of "Annex C" of SRC Rule 12, which list, shall be made available

to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent directors shall be identified in such report including any relationship with the nominee.

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

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

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

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

8. Related Party Transactions

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

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 2020, 2019 and 2018 were waived by CI. There are no conditions attached to the waiver of these management fees.

The Registrant 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 26, *Related Party Transactions* of the Notes to 2020 Audited Consolidated Financial Statements which is incorporated in this Information Statement.

9. Parent Company of the Registrant:

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

VI. Compensation of Directors and Executive Officers

Executive Compensation Summary Table

Name	Position	2021 (estimate)
Josef C. Gohoc	President	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Melita L. Tan	Vice President	x
Atty. Albert Anthony Ocampo	Assistant Manager	x
Herson D. Salonga	Senior Manager	x
Salaries		₱6,512,076
Bonus		1,659,894
Others		164,400
Total (Top 5)		₱8,336,370
Salaries		₱19,895,851
Bonus		5,042,943
Others		678,600
All officers & directors as a group unnamed		₱25,617,394
Grand Total		₱33,953,764

Name	Position	2020 (actual)
Josef C. Gohoc	President	x
Atty. Emma G. Jularbal	Vice President – Legal Dept.	x
Melita L. Tan	Vice President	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Atty. Albert Anthony Ocampo	Assistant Manager	x
Salaries		₱6,823,645
Bonus		1,159,180
Others		4,580,047
Total (Top 5)		₱12,562,872
Salaries		₱19,430,969
Bonus		3,660,593
Others		6,874,344
All officers & directors as a group unnamed		₱29,965,906
Grand Total		₱42,528,778

Name	Position	2019 (actual)
Josef C. Gohoc	President	x
Atty. Emma G. Jularbal	Vice President – Legal Dept.	x
Melita L. Tan	Vice President	x
Dorothy U. So	Assistant Vice President – Internal Audit	x
Therese Raimunda A. Anoos	Assistant Vice President – Financial Management and Service Department	x
Salaries		₱6,317,083
Bonus		1,621,484
Others		9,272,266
Total (Top 5)		₱17,210,833
Salaries		₱21,780,391
Bonus		5,720,948
Others		8,449,002
All officers & directors as a group unnamed		₱35,950,341
Grand Total		₱53,161,174

The Group has no standard arrangements with regard to the remuneration of its directors. In 2020, 2019, and 2018, the Board of Directors received a total of ₱35.50 million, ₱38.72 million and ₱23.52 million, respectively, including a total per diem of ₱1.18 million per annum (aggregate of CLDI and CDC) for the board meetings attended. Moreover, the Group has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received nor any other arrangement with employment contracts, compensatory plan and stock warrants or options.

VII. Independent Public Accountants

1. Sycip Gorres Velayo & Co. (SGV & Co.) is the Registrant's external auditor for the calendar year 2020. The same accounting firm is being recommended for re-election at the scheduled annual stockholders' meeting.
2. Representatives of SGV & Co. are expected to be present at the annual stockholders' meeting and will respond to queries concerning the audited financial statements.
3. Pursuant to SRC Rule 68 paragraph (3)(b)(ix) (Rotation of External Auditors), Ms. Aileen L. Saringan, partner of SGV & Co., was assigned as signing partner for the Registrant's financial statements starting the calendar year 2017.

C. ISSUANCE AND EXCHANGE OF SECURITIES

VIII. Authorization or Issuance of Securities Other than for Exchange

At least two-thirds (2/3) of the outstanding capital stock is required for the approval of 5% stock dividend declaration.

The number of unclassified common shares that will be issued as a result of the stock dividend based on the issued and outstanding shares of 4,623,925,680 as of March 31, 2021 is approximately 231,196,284 shares with par value of Php1.00 per share.

OTHER MATTERS

IX. Action with Respect to Reports

The Minutes of the Annual Stockholders' Meeting held last August 18, 2020 will be read and submitted to the stockholders for their approval. The said Minutes show that the following matters were approved by the stockholders during the 2020 annual stockholders' meeting:

Agenda Items:	Approving	Dissenting	Abstaining
Approval of Minutes of Previous Meeting	3,172,992,372 votes	--	--
Approval of President's Report	3,172,992,372 votes	--	--
Election of Directors (including Independent Directors): a. Mr. Stephen C. Roxas b. Dr. Andrew I. Liuson c. Mrs. Grace C. Liuson d. Mr. Josef C. Gohoc e. Mr. George Sycip (ID) f. Mr. Peter S. Dee (ID) g. Mr. Benjamin I. Liuson h. Mrs. Helen C. Roxas i. Ms. Emma A. Choa	3,172,992,372 votes or 72.05% of the outstanding capital stock	--	--
Appointment of External Auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	3,172,992,372 votes or 72.05% of the outstanding capital stock	--	--
Approval of Board Resolution No. SM 20 dated July 6, 2020 regarding the declaration of five percent (5%) stock dividend	3,172,992,372 votes or 72.05% of the outstanding capital stock		
Confirmation of all acts of the Board of Directors for the period covering January 1, 2019 to December 31, 2019 adopted in the ordinary course of business.	3,172,992,372 votes or 72.05% of the outstanding capital stock	--	--

The minutes of ASM also contain the following items:

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

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

X. Other Proposed Actions

1. Confirmation of all acts of the Board of Directors for the period covering January 1, 2020 to December 31, 2020 adopted in the ordinary course of business:
 - a. Approval of investments;
 - b. Treasury matters related to opening of accounts and bank transactions;
 - c. Appointment of signatories and amendments thereof; and
 - d. Approval of Annual report and related financial statements.
2. Appointment of the External Auditor
The Audit and Risk Committee recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditor for the calendar year 2021. This shall be taken up during the Annual Stockholders' Meeting for the approval of the stockholders.
3. Approval of the Board Resolution dated May 10, 2021 regarding the declaration of five percent (5%) stock dividends

XI. Voting Procedures

1. Vote Required for Approval or Election

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

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

At least two-thirds (2/3) of the outstanding capital stock is required for the declaration of 5% stock dividend.

2. Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting. In accordance with the Company's Amended By-Laws, voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita.
3. In light of the COVID-19 global pandemic, the Board of Directors has decided to conduct a virtual ASM via Zoom or its equivalent. As a result, there will be no physical venue allotted for stockholders to attend the meeting.

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

Validation of proxies shall be until 4:00PM of June 15, 2021. Registered stockholders will receive the meeting link and password two days before the ASM.

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

4. The Company's Stock Transfer Agent together with the Office of the Corporate Secretary will tabulate all valid and confirmed votes. The Company also has an independent party that will validate the votes counted by the Secretary.
5. Other matters which any stockholder would like to present in the ASM shall be sent via email to cdcinfo@cityland.net on or before June 15, 2021 at 4:00PM. The Company's responses to the questions shall be discussed during the ASM.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 17, 2021.

CITYLAND DEVELOPMENT CORPORATION

JOSEF C. GOHOC
President



CITYLAND DEVELOPMENT CORPORATION THE PRESIDENT'S REPORT

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

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

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

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

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

GENERAL NATURE OF BUSINESS

A. Background Information

1. Brief Company History

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

2. Listing in Stock Exchange

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

3. Subsidiaries

The following are the subsidiaries of the Company:

- a. City & Land Developers, Incorporated (CLDI): a domestic publicly listed corporation and a real estate company incorporated under the laws of the Philippines and registered with the Securities and Exchange Commission (SEC) on June 28, 1988. It is 49.73%-owned by CDC.
- b. Cityplans, Incorporated (CPI): a pre-need company incorporated under the laws of Philippines and registered with the SEC on October 27, 1988. It is 90.81%-owned by CDC.

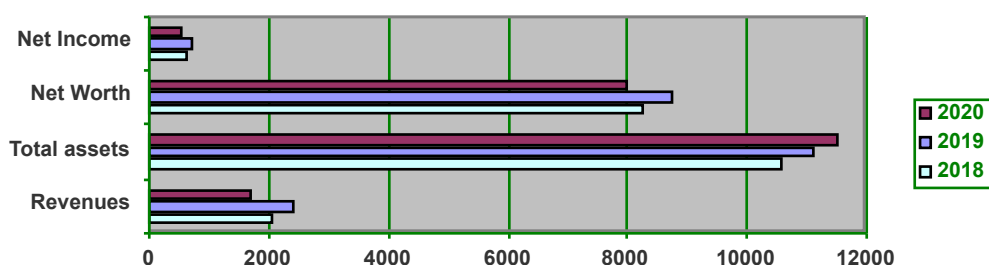
4. Nature of Operations

The primary purpose of CDC and its subsidiaries (the Group) is to acquire and develop suitable land sites for residential, office, commercial, institutional, and industrial uses. CPI is engaged in the business of establishing, organizing, developing, maintaining, conducting, operating, marketing and selling pension plans. As of February 2007, CPI has stopped selling pre-need plans.

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

FINANCIAL HIGHLIGHTS

	In Millions of Pesos		
	2020	2019	2018
Consolidated Net Income	542.82	734.14	628.27
Consolidated Net Worth	8,006.62	8,760.49	8,247.68
Consolidated Total Assets	11,508.25	11,107.96	10,561.47
Consolidated Revenues	1,706.49	2,407.57	2,025.92



5. Project Description

CDC

Future Project:

Pioneer Heights 2

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

Ongoing Projects:

Pioneer Heights 1

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

Estimated Date of Completion: December 2023

101 Xavierville

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

Estimated Date of Completion: February 2024

Completed Projects:

Buildings for Lease

- *CityNet Central*

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

- *CityNet1*

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

Pines Peak Tower I

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

Pines Peak Tower II

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

Grand Central Residences

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

Makati Executive Tower IV

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

Mandaluyong Executive Mansion III

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

Makati Executive Tower III

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

Manila Executive Regency

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

Makati Executive Tower II

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

CLDI

Future Project:

One Hidalgo

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

Ongoing Project:

One Taft Residences

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

Estimated Date of Completion: September 2022

Completed Projects:

North Residences

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

Manila Residences Bocobo

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

Grand Emerald Tower

Grand Emerald Tower is a 39-storey commercial, office and residential condominium located along Emerald Avenue Corner Ruby and Garnet Streets, Ortigas Center, Pasig City. Its amenities and facilities include swimming pool, gymnasium, viewing deck, sauna, children's playground, multi-purpose function room, and 24-hour association security. It is proximate to schools,

hospitals, shopping malls, banks, restaurants, hotels, churches and other leisure and business establishments.

Pacific Regency

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

CPI

Windsor Mansion

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

Oxford Mansion

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

Pasig Royale Mansion

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

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

The risks to which the Group is exposed include the internal risks such as refinancing risk, credit risk, interest rate risk, market risk and liquidity risk; business risks and operational risks; and external ones arising from political and economic situation, real estate industry outlook, 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 3.70:1 and 1.83:1 as of December 31, 2020 from 3.08:1 and 1.62:1 as of December 31, 2019, respectively.

Credit Risk

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

- a. The credit risk on the installment contracts receivable and contract assets may arise from the buyers who may default on the payment of their amortizations. The Group manages this risk by dealing only with recognized, 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 investment in trust fund, cash and cash equivalents, short-term and long-term investments, installment contracts receivable, contract assets, notes receivable, guaranty deposits, refundable deposits, financial assets at fair value through other comprehensive income (FVOCI) and other assets may arise from default of the counterparty. The Group manages such risks in accordance to its policy where the Group shall enter into transaction with diversity of creditworthy parties to mitigate any significant concentration of credit risks. As such, there are no significant concentrations of credit risks in the Group.

Interest Rate Risk

This is the risk arising from uncertain future interest rates.

The Group's financial instruments consist of:

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

Market Risk

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

The financial assets at FVOCI are exposed to market risk. There is a risk for a decline in the value due to changes in the market. The 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 Group:

- a. *Asset-Liability Management*: Funding sources are substantially from short-term borrowings. Funding sources are abundant and provide a competitive cost advantage. The Group also holds financial assets for which there is a liquid market and are, therefore, readily saleable to meet liquidity needs.
- b. *Conservative/Liability Structure*: Funding is widely diversified. There is little reliance on wholesale funding services or other credit sensitive fund

providers. The Group accesses funding across a diverse range of markets and counter parties.

- c. *Excess Liquidity*: The Group maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations.
- d. *Funding Flexibility*: The Group has an objective to maintain a balance between continuity of funding and flexibility through the use of commercial papers.

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

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

GROUP'S BUSINESS AND OPERATIONS

Land Banking

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

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

Property development and construction

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

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

These risks are managed by the Group as follows:

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

ECONOMIC FACTORS

Economic

The Group's business consists mainly of providing office and housing units in the Philippines and the results of the operations will be influenced by the general conditions of the Philippine economy. Any economic instability or failure to

register improved economic performance in the future may adversely affect the Group's operations and eventually its financial performance.

Effect of climate change

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

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

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

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

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

Political

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

Competition

The demand for housing especially in the medium-cost category has moderately stepped up. The situation has attracted both old and new players to develop projects that cater to this rising demand. As a result of the foregoing,

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

The country's property sector remained strong during the 1st half of 2020. This was evidenced by the RREPI which rose by 12.6% year-on-year in the 1st quarter of 2020, as compared to 3.2% and 10.4% growth rate as of the 1st quarter and 4th quarter of 2019, respectively.

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

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

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

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

The 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.

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

Financial Performance

The Group is pre-selling the following on-going projects as of December 31, 2020:

- One Premier (a project of CI in which some condominium units and parking slots were assigned to CDC)
- Pioneer Heights 1 (a project of CDC)
- 101 Xavierville (a project of CDC)
- One Taft Residences (a project of CLDI)

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

Cityland Development Corporation

- Pines Peak Tower II
- Pines Peak Tower I
- Grand Central Residences
- Makati Executive Tower IV

City & Land Developers, Incorporated

- North Residences
- The Pacific Regency

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.

Financial Condition (March 31, 2021 vs. December 31, 2020)

The Group's balance sheet as of March 31, 2021 remained solid with total assets of ₱11.79 billion, slightly higher by 2.45% as compared to the total assets as of December 31, 2020 of ₱ 11.51 billion. The increase is substantially attributed to the increase in cash and cash equivalents brought about by collections from clients. Real estate properties for sale and prepaid tax also increased as of March 31, 2021. Aside from the foregoing, funds were used in the construction of the Group's ongoing projects - Pioneer Heights I, 101 Xavierville and One Taft Residences, which also caused the increase in real estate properties for sale. Excess funds were shifted to cash and cash equivalents in order to maintain liquidity. The financial position remained stable as total of cash and cash equivalents and short-term investments stood at ₱3.17 billion and ₱2.94 billion as of March 31, 2021 and December 31, 2020, respectively.

On the liabilities side, total liabilities increased by 13.65% from ₱2.21 billion as of March 31, 2020 to ₱2.51 billion as of March 31, 2021. This was primarily due to accrual of development costs and issuance of notes payable.

Total equity as of March 31, 2021 stood at ₱9.28 billion from ₱9.16 billion as of December 31, 2020, slightly higher by 1.36% due to comprehensive income of ₱121.36 million.

As a result of the foregoing, the Group registered a current and acid test ratio of 3.17:1 and 1.54:1, respectively as of the first quarter of 2021, as compared to 3.70:1 and 1.83:1, respectively as of December 31, 2020. Asset-to-liability and debt-to-equity remained stable at 4.70:1 and 0.14:1, respectively as of March 31, 2021 compared to 4.89 and 0.13, respectively as of December 31, 2020.

Financial Condition (2020 vs. 2019)

The Group's balance sheet remained solid with total assets of ₱11.51 billion, 3.60% higher as compared to the 2019 year-end balance of ₱11.11 billion. The increase in assets is attributed to the increase in real estate properties for sale, and installment contracts receivable. The net increase in installment contracts receivable and contract assets was due to sales from real estate properties. Funds were generated from sales and lease of condominium units and other real estate projects, while other financial sources came from the issuance of commercial papers with interest rates ranging from 0.69% to 1.25% in 2020 and 1.19% to 3.81% in 2019. Majority of the funds were utilized for operations and to finance the Group's

construction of ongoing projects. Moreover, the cash position allowed CDC to declare cash dividends amounting to ₱132.11 million while the subsidiary, CLDI was able to declare cash dividends amounting to ₱21.02 million. The Group's liquidity position remained stable as cash and cash equivalents and short-term cash investments stood at ₱2.06 billion and ₱0.88 billion, respectively. Excess funds were placed in both short and long term investments contributing to the increase in financial income.

On the liability side, total liabilities increased by ₱4.78 million or 0.20%, primarily due to higher accounts payable and accrued expenses, pre-need and other reserves and deferred income tax liabilities. The increase was partially offset by the settlement of matured notes and contracts payable amounting to ₱113.55 million and net decrease in contract liabilities by ₱9.06 million and increase in deferred tax liabilities-net by ₱29.20 million.

Total equity stood at ₱9.16 billion as of December 31, 2020, higher by 4.51% from ₱8.76 billion as of December 31, 2019 due to comprehensive income of ₱548.21 million net of cash dividends declared and paid by the Group amounting to ₱153.05 million.

As a result of the foregoing, the Group's liquidity position remained stable with acid-test and current ratio of 1.83:1 and 3.70:1 as of December 31, 2020, as compared to 1.62:1 and 3.08:1 as of December 31, 2019, respectively. On the other hand, debt-equity ratio slightly improved to 0.13:1 as of December 31, 2020, as compared to 0.16:1 in December 31, 2019.

Financial Condition (2019 vs. 2018)

The Group's balance sheet remained solid with total assets of ₱11.11 billion, 5.17% higher as compared to the 2018 year-end balance of ₱10.56 billion. The increase in assets is attributed to the increase in real estate properties for sale, contract assets, long-term investments and installment contracts receivable. The net increase in installment contracts receivable and contract assets was due to sales from real estate properties. Funds were generated from sales and lease of condominium units and other real estate projects, while other financial sources came from the issuance of commercial papers with interest rates ranging from 1.19% to 3.81% in 2019 and 1.38 % to 5.00% in 2018. Majority of the funds were utilized for operations and to finance the Group's construction of ongoing projects. Moreover, the cash position allowed CDC to declare cash dividends amounting to ₱188.73 million, while the subsidiary, CLDI was able to declare cash dividends amounting to ₱25.58 million. The Group's liquidity position remained stable as cash and cash equivalents and short-term cash investments both stood at ₱1.93 billion and ₱0.40 billion, respectively. Excess funds were placed in both short and long term investments contributing to the increase in financial income.

On the liability side, total liabilities increased by ₱33.67 million or 1.46%, primarily due to higher accounts payable and accrued expenses, income tax payable and retirement benefits liability. The increase was partially offset by the settlement of matured notes and contracts payable amounting to ₱169.50 million and net decrease in contract liabilities by ₱14.37 million and deferred tax liabilities-net by ₱14.63 million.

Total equity stood at ₱8.76 billion as of December 31, 2019, higher by 6.22% from ₱8.25 billion as of December 31, 2018 due to comprehensive income of ₱724.73 million net of cash dividends declared and paid by the Group amounting to ₱217.32 million.

As a result of the foregoing, the Group's liquidity position remained stable with acid-test and current ratio of 1.62:1 and 3.08:1 as of December 31, 2019, as compared to 1.67:1 and 2.80:1 in December 31, 2018, respectively. On the other hand, debt-equity ratio slightly improved to 0.16:1 as of December 31, 2019, as compared to 0.19:1 in December 31, 2018.

Financial Condition (2018 vs. 2017)

The Group's balance sheet remained solid with total assets of ₱10.56 billion, 8.89% higher as compared to the 2017 year-end balance of ₱9.70 billion. Funds were generated from sales and lease of condominium units and other real estate projects, while other financial sources came from the issuance of commercial papers with interest rates ranging from 1.31 % to 5.00%. Majority of the funds were substantially utilized for operations and to finance the Group's construction of Pines Peak Tower II, One Taft Residences and the newly launched condominium projects, Pioneer Heights 1 and 101 Xavierville and the completion of North Residences. The stable financial position allowed the acquisition of two parcels of land increasing the Group's total assets. In addition, in compliance with Philippine Financial

Reporting Standard (PFRS) 15, *Revenue from Contracts with Customers*, the Group has reclassified a substantial portion of installment contracts receivable to contract assets, the net effect of which was an increase of ₱241.63 million in the said accounts due to sales and increase in percentage of completion. Moreover, the cash position allowed CDC to distribute cash dividends amounting to ₱118.54 million, while the subsidiary, CLDI distributed cash dividends amounting to ₱19.19 million. The Group's liquidity position remained stable as cash and cash equivalents and short-term cash investments both stood at ₱0.47 billion and ₱1.59 billion, respectively. Excess funds were placed in both short and long term investments contributing to the increase in financial income.

On the liability side, total liabilities increased by ₱348.24 million or 17.72%, primarily from higher contract liabilities and income tax payable. Contract liabilities pertains to the collections of pre-selling of condominium projects which have not yet reached the preliminary stage of completion. The increase was partially offset by the settlement of matured notes and contracts payable amounting to ₱87.90 million and decrease in accounts payable and accrued expenses by ₱66.51 million and deferred tax liabilities-net by ₱56.16 million.

Total equity stood at ₱8.25 billion as of December 31, 2018, higher by 6.65% from ₱7.73 billion as of December 31, 2017 due to comprehensive income of P ₱634.011 million net of cash dividends declared and paid by the Group amounting to ₱137.73 million.

As a result of the foregoing, the Group's liquidity position remained stable with acid-test and current ratio of 1.67:1 and 2.80:1 as of December 31, 2018, as compared to 1.69:1 and 2.42:1 in December 31, 2017, respectively. On the other hand, debt-equity ratio slightly improved to 0.19:1 as of December 31, 2018, as compared to 0.22:1 in December 31, 2017.

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

Sales of real estate properties reached ₱371.95 million as compared to the previous year's sales of ₱275.74 million. The increase in sales amount by 34.89% was attributed to the increase in the percentage of completion since revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion).

Total sales of the Group was substantially generated from CDC reaching ₱257.87 million which is equivalent to 69.33% of the Group's sales. The Group has been applying the percentage of completion its revenue recognition and therefore aside from the current year's sales, additional revenues of prior year's sales were also recognized based on percentage of completion. Sales from CDC's projects – Pioneer Heights 1 and 101 Xavierville contributed 48.39% and 10.74%, respectively of the Group's sales as of March 31, 2021.

Further, one of the Company's subsidiaries, CLDI, contributed 30.67% of the total sales of real estate properties. Sales of CLDI reached ₱114.09 million as of March 31, 2021 as compared to the same period last year of ₱61.35 million. Sales for the quarter were driven from sales of real estate properties of One Taft Residences and North Residences.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents, short-term investments, notes receivable and guaranty deposits contributed 19.11% of total revenues. Likewise, rent income grew by 3.85% from ₱46.00 million to ₱47.77 million of the same period last year. Rent income significantly came from the lease operations of CityNet Central, CityNet1 and other properties which were held for lease. Other income - net, on the other hand, were primarily from adjustment of market value of repossessed units, penalties charged to clients, and other miscellaneous income. Revenue contribution of this account decreased by 10.34%, amounting to ₱25.05 million as of March 31, 2021 from ₱27.93 million for the quarter ended March 31, 2020.

On the cost side, cost of real estate sales increased due to the increase in percentage of completion, while operating expenses decreased due to lower taxes and licenses, professional fees, light, power and water and brokers' commission. Financial expenses likewise decreased due to lower interest expense on notes payable.

As a result of the foregoing, the Group ended March 31, 2021 with a net income of ₱122.83 million, lower by 14.07% compared to the same period last year of ₱142.94 million. This translated to annualized

earnings per share and return on equity of ₱0.10 and 5.38% as compared to the previous year of ₱0.12 and 6.72%, respectively.

Results of Operation (March 31, 2020 vs. March 31, 2019)

Sales of real estate properties reached ₱275.74 million as compared to the previous year's sales of ₱437.91 million. The 37.03% decrease in sales was due to lower sales of Pines Peak Tower II, Grand Central Residences and North Residences. The Group is selling the remaining inventories of these projects and majority of the units were already sold last year. Moreover, due to the COVID-19 pandemic, the lockdown measures in mid-March 2020 partially decreased the Group's sales for the first quarter 2020 as compared to the sales as of March 31, 2019.

Total sales of the Group was substantially generated from CDC reaching ₱211.50 million which is equivalent to 76.70% of the Group's sales. The Group has been applying the percentage of completion its revenue recognition and therefore aside from the current year's sales, additional revenues of prior year's sales were also recognized based on percentage of completion. As a result of the foregoing, Pines Peak Tower II contributed ₱72.63 million to the total Group's sales. In addition, sales of Pioneer Heights I almost reached the same level at ₱71.58 million, while 101 Xavierville posted sales of ₱45.77 million. Since the construction of these three projects were in full swing prior to the lockdown in Luzon in mid-March 2020, the percentage of completion as of March 2020 of Pines Peak Tower II, Pioneer Heights I and 101 Xavierville reached 100%, 27.15% and 38.67%, respectively. In addition, the Group also sold the remaining units of Grand Central Residences and Pines Peak Tower I.

Further, the subsidiaries, CLDI and CPI contributed 22.25% and 1.05%, respectively of total sales of real estate properties. Sales of CLDI reached ₱61.35 million as of March 31, 2020 as compared to the same period last year of ₱107.95 million. Sales for the quarter was driven by One Taft Residences and North Residences. The 43.17% decrease in sales was due to lower sales generated from North Residences since this project was already sold at 89.55% as of December 31, 2019. In addition, sales of CLDI was also affected by the lockdown measures implemented in mid-March 2020. One Taft Residences was in full blast construction prior to the lockdown resulting to a percentage of completion of 60.50% from 30.76% in the same period last year.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents, short-term investments, notes receivable and guaranty deposits contributed 24.59% of total revenues. Likewise, rent income grew by 37.25% from ₱33.52 million to ₱46.00 million of the same period last year. Rent income significantly came from the lease operations of CityNet Central, CityNet1 and other properties which were held for lease. Other revenue, on the other hand, were primarily from adjustment of market value of repossessed units, penalties charged to clients, and other miscellaneous income. Revenue contribution of this account decreased by 2.88%, amounting to ₱38.54 million as of March 31, 2020 from ₱39.68 million for the quarter ended March 31, 2019.

On the cost side, cost of real estate sales decreased due to sales, while operating expenses increased due to higher taxes and licenses, professional fees, light, power and water, brokers' commission, repairs and maintenance and membership dues. Financial expenses likewise decreased due to partial settlement of notes payable and lower interest rates. In addition, other expenses decreased due to lower adjustment of prior years' income from forfeited units while decline in revenues and increase in operating expenses decreased provision for income tax.

As a result of the foregoing, the Group ended March 31, 2020 with a net income of ₱142.94 million, lower by 33.13% compared to the same period last year of ₱213.76 million. This translated to annualized earnings per share and return on equity of ₱0.12 and 6.72% as compared to the previous year of ₱0.18 and 10.62%, respectively.

Results of Operation (2019 vs. 2018)

The Group's sale of real estate properties increased by 12.99% as of December 31, 2019 reaching ₱1,652.83 million from the previous year's ₱1,462.77 million. Growth was driven by sales and higher percentage of completion of the projects. Total sales of the Group was substantially generated from CDC, reaching ₱1,122.83 million or 67.93% of the Group's sales. Pines Peak Tower II was 100% completed in May 2019 which was already sold at 83.70% as of December 31, 2019. The Group has been applying the percentage of completion (POC) in sales and revenue recognition and therefore, aside from

the current year sales, additional revenue from sales in prior years were also recognized. Consequently, Pines Peak Tower II generated the highest sales revenue amounting to ₱500.33 million followed by the sale of the remaining units of 101 Xavierville, Pioneer Heights 1, Grand Central Residences, One Premier and Pines Peak Tower I, contributing ₱241.20 million, ₱181.61 million, ₱94.36 million, ₱42.84 million and ₱27.74 million, respectively.

Moreover, the subsidiaries, CLDI and CPI recorded 30.37% and 1.70% of total revenue on sales of real estate, respectively. Sales of real estate properties of CLDI reached ₱501.89 million as compared to the same period last year of ₱409.54 million. The increase in sales can be attributed to the sales revenue generated from One Taft Residences since realization of sales was based on POC. Majority of the sales in 2019 was generated from One Taft Residences which contributed ₱331.92 million, while North Residences accounted for ₱159.60 million of total sales. The remaining ₱8.52 million of sales were generated from Grand Emerald Tower.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from installment contracts receivable, contract assets, cash and cash equivalents, short-term and long-term investments, notes receivable and guaranty deposit contributed 21.07% of total revenues and grew by 33.76% due to higher investments and interest rates. Likewise, rental income from lease operations of buildings and properties contributed 5.69% and grew by 9.51% due to additional lease contracts and higher rental rates. Other revenue, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients, gain on sale of shares of stock and other miscellaneous income which contributed 5.22% of total revenues.

On the cost side, cost of real estate sales and operating expenses increased as these move in tandem with sales. Although the Group reduced its notes payable balance, interest expense increased due to higher interest rates.

Altogether, the Group posted a consolidated income of ₱734.14 million in 2019, 16.85% higher than the previous year's level of ₱628.27 million. This translated into an improved earnings per share and return on equity of ₱0.15 and 8.43% as compared to the same period of the previous year of ₱0.13 and 7.67% respectively.

Results of Operation (2018 vs. 2017)

The Group's sale of real estate properties increased by 11.60% as of December 31, 2018 reaching ₱1,462.77 million from the previous year's ₱1,311.71 million. Growth was driven by sales and higher percentage of completion of the projects. Total sales of the Group was substantially generated from CDC, reaching ₱1,015.59 million, or 69.47% of the Group's sales. Construction accomplishment of Pines Peak Tower II steadily progressed from the previous year's percentage of completion of 52.98% to 90.64% in 2018. The Project was already 64.36% sold as of December 31, 2018. The Group has been applying the percentage of completion (POC) in sales and income recognition and therefore, aside from the current year sales, additional revenue from its sales from prior years were also recognized. Consequently, this project generated the highest sales revenue amounting to ₱627.60 million followed by the sale of the remaining units of Grand Central Residences, Pines Peak Tower I and Makati Executive Tower IV, contributing ₱202.67 million, ₱104.50 million and ₱36.99 million, respectively. Sales from Grand Central Residences and Pines Peak Tower I came from the remaining inventory last year. To increase future sales, CDC launched Pioneer Heights I, and 101 Xavierville in 2018. The Group has not realized revenue on sales of these projects under the POC since it has not reached beyond the preliminary stage of completion. In view of this, future sales of CDC is seen to be generated from the sale and construction accomplishment of Pines Peak Tower II and from the newly launched condominium projects.

Moreover, the subsidiaries, CLDI and CPI recorded 28.00% and 2.53% of total revenue on sales of real estate, respectively. Sales of real estate properties of CLDI reached ₱409.54 million as compared to the same period last year of ₱439.58 million. The decrease in sales can be attributed to the sales revenue generated from One Taft Residences since realization of sales was based on percentage of completion (POC). The POC of this project at the end of 2018 was 25.59% but is expected to increase in the succeeding months. In addition, sales of Grand Emerald tower and Manila Residences Bocobo were lower as compared to the previous year since these were generated from the remaining units last year. On the other hand, North Residences was in full blast construction which led to its completion in March 2018. This project was sold at 84.23% in 2018, as compared to last year at 61.63%. Majority of the 2018 sales were generated from North Residences which contributed ₱318.54 million, while One Taft

Residences accounted for ₱78.78 million of total sales. The remaining ₱17.19 million of sales were generated from Grand Emerald Tower and Manila Residences Bocobo.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from installment contracts receivable, contract assets, cash and cash equivalents, short-term investments, notes receivable and guaranty deposit contributed 18.62% of total revenues. Likewise, rental income from lease operations of buildings and properties contributed 6.14% and grew by 5.54% due to additional lease contracts and higher rental rates. Other revenue, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients, and other miscellaneous income contributed 4.08% of total revenues.

On the cost side, cost of real estate sales and operating expenses increased as these move in tandem with sales. Although the Group reduced its notes payable balance, interest expense increased due to higher interest rates.

Altogether, the Group posted a consolidated income of ₱628.27 million in 2018, 13.83% higher than the previous year's level of ₱551.93 million. This translated into an improved annualized earnings per share and return on equity of ₱0.13 and 7.67% as compared to the same period of the previous year of ₱0.11 and 7.20% respectively.

Key Performance Indicators (2020 vs 2019 vs 2018)

Cityland Development Corporation (Consolidated)	2020	2018	2017
Basic/Diluted earnings per share	₱0.11*	₱0.15*	₱0.13*
Return on equity	6.11%	8.43%	7.67%
Return on asset	4.72%	6.61%	7.94%
Net profit margin	31.81%	30.49%	40.75%
Solvency ratio	0.26	0.34	0.30
Interest rate coverage ratio	405.88	65.49	55.06
Asset to liability ratio	4.89	4.73	4.56
Asset to equity ratio	1.43	1.45	1.47
Debt to equity ratio	0.13	0.16	0.19
Current ratio	3.70	3.08	2.80
Acid - test ratio	1.83	1.62	1.67

**After retroactive effect of stock dividends.*

City & Land Developers, Incorporated (Subsidiary)	2020	2019	2018
Basic/Diluted earnings per share*	₱0.07	₱0.12	₱0.10*
Return on equity	4.69%	8.12%	7.31%
Return on asset	4.18%	7.18%	6.00%
Net profit margin	29.50%	27.92%	29.42%
Solvency ratio	0.38	0.62	0.34
Interest rate coverage ratio	—	—	—
Asset to liability ratio	9.08	8.60	5.59
Asset to equity ratio	1.12	1.13	1.22
Debt to equity ratio	—	—	0.10
Current ratio	6.98	6.82	4.58
Acid - test ratio	1.40	1.61	2.35

**After retroactive effect of tock dividends*

Cityplans, Incorporated (Subsidiary)	2020	2019	2018
Earnings per share	₱0.05	₱0.09	₱0.12
Return on equity	2.24%	3.96%	5.77%
Return on asset	2.05%	4.57%	6.50%
Net profit margin	13.74%	52.26%	26.69%
Solvency ratio	0.24	0.32	0.44
Asset to liability ratio	6.52	6.42	6.44
Asset to equity ratio	1.18	1.22	1.22
Current ratio	0.85	11.75	15.90
Acid - test ratio	11.24	12.11	16.70

Manner of Calculations:

Earnings per share	=	$\frac{\text{Net income after tax}}{\text{Outstanding number of shares}}$
Return on equity ratio	=	$\frac{\text{Net income after tax}}{\text{Total Equity}}$
Return on asset ratio	=	$\frac{\text{Net income after tax}}{\text{Total Assets}}$
Net profit margin	=	$\frac{\text{Net income after tax}}{\text{Total Sales Revenue}}$
Solvency ratio	=	$\frac{\text{Net income after tax} + \text{Depreciation expense}}{\text{Total liabilities}}$
Interest rate coverage ratio	=	$\frac{\text{Income before income tax} + \text{Depreciation expense} + \text{Interest expense}}{\text{Interest expense}}$
Asset-to-liability ratio	=	Total assets / Total liabilities
Asset-to-equity ratio	=	$\frac{\text{Total assets}}{\text{Total equity (net of net changes in fair value of equity instruments designated at fair value through other comprehensive income/available-for-sale financial assets and accumulated re-measurement on defined benefit plan)}}$
Debt-to-equity ratio	=	$\frac{\text{Notes payable and contracts payable}}{\text{Total equity (net of net changes in fair value of equity instruments designated at fair value through other comprehensive income/available-for-sale financial assets and accumulated re-measurement on defined benefit plan)}}$
Current ratio	=	Total current assets / Total current liabilities
Acid-test ratio	=	$\frac{\text{Cash and cash equivalents} + \text{Short-term investments} + \text{Installment contracts receivable} + \text{Current portion of contract assets} + \text{Current portion of notes receivable} + \text{Current portion of other receivables}}{\text{Total current liabilities}}$

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

The COVID-19 pandemic has caused business disruptions due to the community quarantines implemented over Luzon. As of December 31, 2020, the Company's liquidity was affected due to the decline in sales of real estate properties and lower collections as a result of higher number of forfeitures.

2. Internal and External Sources of Liquidity

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

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

The estimated development cost of ₱432.56 million as of March 31, 2021 representing the cost to complete the development of real estate projects sold will be sourced through:

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

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

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

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

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

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

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

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

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

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

Financial Condition (March 31, 2021 vs December 31, 2020)

- a. Increase in Cash and Cash Equivalents was substantially due to shift of funds to shorter period investments, collection of installment contracts receivable, contract assets and other receivables.
- b. Decrease in Short-term Investments was due to shift to shorter period investments.
- c. Decrease in Installment Contract Receivables was due to collection from clients.
- d. Decrease in Contract Assets was due to was due to collections.
- e. Decrease in Cost to Obtain Contract was due to the recognition of commission expense relative to the increase in percentage of completion of an ongoing project.
- f. Decrease in Other Receivables was substantially due to collection of retention and advances to customers.
- g. Increase in Prepaid Tax was due to the reduction of income tax rate as an impact of the CREATE Act.
- h. Increase in Real Estate Properties for Sale was primarily due to construction/development costs incurred, transfer from real estate properties held for future development and forfeitures of real estate properties.
- i. Increase in Investments in Trust Fund was due to appraisal increase of properties held in trust.
- j. Decrease in Real Estate Properties Held for Future Development was due to reclassification to real estate properties for sale.
- k. Decrease in Investment Properties was due to depreciation recognized on the buildings for lease.
- l. Decrease in Property and Equipment was due recognition of depreciation expense.
- m. Decrease in Other Assets was due to utilization of input VAT and prepaid asset.
- n. Increase in Accounts Payable and Accrued Expenses pertains to the increase in accrued development costs.
- o. Decrease in Contract Liabilities was due to increase in percentage of completion of the Group's on-going projects.
- p. Increase in Notes Payable was due to proceeds from issuance of notes payable.
- q. Decrease in Income Tax Payable was due to reduction of tax rate as effect of the implementation of CREATE Act which was effective July 1, 2020.
- r. Decrease in Pre-need and Other Reserves was due to maturities and termination of pension plan.
- s. Decrease in Deferred Income Tax Liabilities - net was due to remeasurement as impact of the change in tax rate.
- t. Decrease in Accumulated Re-measurement Loss on Defined Benefit Plan - net of deferred income tax effect was due to the remeasurement of the deferred income tax as result of the reduction in tax rate.
- u. Increase in Retained Earnings was due to net income recognized as of March 31, 2021.
- v. Increase in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decrease in market value of financial assets at FVOCI.
- w. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Financial Condition (2020 vs. 2019)

- a. Increase in Cash and Cash Equivalents was substantially due to collections from sales and lease of real estate properties, collection of receivables and contract assets and shift of funds to shorter period investments. Net increase in short-term and long-term investments was substantially due to sales and shift of funds from cash and cash equivalents.
- b. Net increase in Installment Contract Receivables was due to the sale of condominium units of CDC and CLDI. Further, the collections of monthly amortizations were also affected due to the impact of COVID-19 pandemic.
- c. Net decrease in Contract Asset was due to was due to right to consideration already delivered resulting to increase in billed accounts reflected in the installment contracts receivable.
- d. Net decrease in Cost to Obtain Contract was due to the decrease of prepaid commission recognized in relation to the sale of ongoing projects.
- e. Decrease in Notes Receivable was due to its maturity.
- f. Decrease in Other Receivables was substantially due to lower accrued interest, collection of advances to customers and advances to condominium corporations.

- g. Increase in Real Estate Properties for Sale was primarily due to additional development cost incurred and lower cost of real estate sales.
- h. Net decrease in Investments in Trust Fund was due to withdrawals made from the fund..
- i. Increase in Real Estate Properties Held for Future Development was due to additional costs capitalized.
- j. Decrease in Investment Properties was due to depreciation recognized on the buildings for lease and transfer of properties to real estate properties for sale.
- k. Increase in Property and Equipment was due to recognition of right-of-use asset as an effect of adoption of PFRS 16, *Leases*.
- l. Increase in Retirement Plan assets was due to decrease in present value of defined benefit obligation.
- m. Decrease in Deferred Income Tax Assets was due to decrease of accrued expenses and unamortized past service cost of CDC and CLDI.
- n. Decrease in Other Assets was due to the decrease of prepaid assets, input vat and advances to contractors.
- o. Increase in Accounts Payable and Accrued Expenses was substantially due to higher customers' deposit, accrued development cost, deferred rent income, dividends payable, due to related parties and recognition of lease liability in compliance with PFRS 16.
- p. Net decrease in Contract Liabilities was due to the increase in POC which satisfied the payments made by the clients.
- q. Decrease in Notes and Contracts Payable was due to partial settlement of matured notes payable.
- r. Decrease in Income Tax Payable was due to lower taxable income.
- s. Decrease in Retirement Benefits Liabilities was due to increase in present value of defined benefit obligation.
- t. Increase in Capital Stock was due to issuance of 5.0% stock dividends.
- u. Increase in Retained Earnings was due to the dividends received by CPI from CDC.
- v. Decrease in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decrease in market value of financial assets at FVOCI.
- w. Decrease in Accumulated Re-measurement of Defined Benefit Plans was due to decrease in value of plan assets.
- x. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Financial Condition (2019 vs. 2018)

- a. Increase in Cash and Cash Equivalents was substantially due to collections from sales and lease of real estate properties, collection of receivables and contract assets and shift of funds to shorter period investments.
- b. Net decrease in short-term and long-term investments was substantially due to shift of funds to shorter period placements, partial payment of notes and contracts payable, payment of cash dividends, payment of cost of operations and development of projects.
- c. Net increase in Installment Contract Receivables was due to sale of condominium units held for lease by CPI.
- d. Net increase in Contract Asset was due to higher sales and increase in POC of all on-going projects.
- e. Net increase in Cost to Obtain Contract was due to recognition of prepaid commission in relation to the sale of ongoing projects.
- f. Decrease in Notes Receivable was due to its maturity.
- g. Decrease in Other Receivables was substantially due to lower accrued interest, collection of advances to customers and advances to condominium corporations.
- h. Increase in Real Estate Properties for Sale was primarily due to additional development cost incurred, higher capitalized borrowing costs and transfer of properties from held for future development and investment properties.
- i. Net increase in Investments in Trust Fund was due to additional contribution to the fund.
- j. Decrease in Real Estate Properties Held for Future Development was due to transfer to Real Estate Properties for Sale and settlement of contracts payable through cost adjustment of the property acquired.
- k. Decrease in Investment Properties was due to depreciation recognized on the buildings for lease and transfer of properties to real estate properties for sale.

- l. Increase in Property and Equipment was due to recognition of right-of-use asset as an effect of adoption of PFRS 16, *Leases*.
- m. Decrease in Retirement Plan assets was due to decrease in fair value of plan assets.
- n. Decrease in Deferred Income Tax Assets was due to decrease of realized gain on sale of real estate transactions and unearned revenue of CLDI.
- o. Decrease in Other Assets was due to utilization of input VAT, decrease in market value and sale of shares of stock, and amortization of prepaid real estate tax.
- p. Increase in Accounts Payable and Accrued Expenses was substantially due to higher customers' deposit, accrued development cost, directors' fee and sick leave, deferred rent income, dividends payable, due to related parties and recognition of lease liability in compliance with PFRS 16.
- q. Net decrease in Contract Liabilities was due to was due to recognition of accounting income from projects that reached beyond its preliminary stage of completion.
- r. Decrease in Notes and Contracts Payable was due to partial settlement of matured notes payable and cost adjustment resulting to the full settlement of contracts payable of CLDI.
- s. Increase in Income Tax Payable was due to higher taxable income and expiration of Income Tax Holiday (ITH) entitlement of Pines Peak Tower II.
- t. Decrease in Pre-need and Other Reserves was due to was due to maturities and termination of pension plan.
- u. Increase in Retirement Benefits Liabilities was due to decrease in fair value of plan assets.
- v. Decrease in Deferred Income Tax Liabilities – net was primarily due reversal of deferred income tax assets as a result of recognition of sales of projects in which the percentage completion were already beyond the preliminary stage of completion.
- w. Increase in Capital Stock was due to issuance of 6.5% and 5.0% stock dividends.
- x. Decrease in Retained Earnings was due to declaration of cash dividends.
- y. Increase in Unrealized Fair Value Changes on Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to increase in market value of financial assets at FVOCI.
- z. Decrease in Accumulated Re-measurement of Defined Benefit Plans was due to decrease in value of plan assets.
- aa. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Financial Condition (2018 vs. 2017)

- a. Decrease in Cash and Cash Equivalents was substantially due to payment of operating and development cost, accounts payable and accrued expenses, notes payable, placement of funds to secure cash bond, payment of cash dividends, acquisition of new property and shift of funds to short-term investments.
- b. Increase in Short-term Investments was substantially due to sales and shift of funds from cash and cash equivalents.
- c. Decrease in Installment Contract Receivables was due reclassification of account to contract asset due to the adoption of PFRS 15 and increase in sales.
- d. Increase in Contract Asset was due to reclassification from installment contracts receivable due to the adoption of PFRS 15.
- e. Increase in Cost to Obtain Contract was due to recognition of performance obligation as a result of adoption of PFRS 15.
- f. Increase in Notes Receivable was due to additional long-term placements.
- g. Increase in Other Receivables was substantially due to rent receivable and accrued interest from investments.
- h. Increase in Real Estate Properties for Sale was due to transfers from real estate properties for future development and investment properties, additional construction/development costs incurred. In 2018, CDC launched 101 Xavierville and Pioneer Heights 1 contributing to the reclassification of land cost as part of real estate properties for sale.
- i. Increase in Investments in Trust Fund was due to additional trust fund contributions.
- j. Decrease in Prepaid Income Tax was due to application to income tax payable.
- k. Decrease in Real Estate Properties Held for Future Development was due to the transfer to real estate properties for sale.

- l. Decrease in Investment Properties was due to depreciation and transfer to property and equipment and to real estate properties for future development.
- m. Increase in Property and Equipment was due to completion of building used in the operation of CDC.
- n. Increase in Retirement Plan assets was due to re-measurement gain recognized in 2018.
- o. Decrease in Deferred Income Tax Assets – net was due to the effect of the adoption of the new standard PFRS 15 and adjustment in contract asset of CLDI.
- p. Increase in Other Assets was due to the guaranty deposit made for the Group’s ongoing projects.
- q. Decrease in Accounts Payable and Accrued Expenses was substantially due to payment of trade payables and estimated development cost.
- r. Increase in Contract Liabilities was due to reclassification of deposit of Pines Peak Tower II and One Taft Residences as a result of adoption of PFRS 15.
- s. Decrease in Notes and Contracts Payable was due to settlement of matured notes payable.
- t. Increase in Income Tax Payable was due to higher taxable income and expiration of income tax holiday entitlement of North Residences.
- u. Increase in Pre-need and Other Reserves was due to decrease in return on investment used in valuation of pension plans.
- v. Decrease in Retirement Benefits Liabilities was due to increase in fair value of plan assets.
- w. Decrease in Deferred Income Tax Liabilities – net was primarily due to deferred income tax assets as a result of reversal of sales of projects in which the percentage completion has not reached beyond the preliminary stage of completion.
- x. Increase in Retained Earnings was due to net income recognized in 2018.
- y. Increase in Unrealized fair value changes on financial assets at fair value through other comprehensive income (FVOCI) was due to the effect of the adoption of the new Philippine Financial Reporting Standard (PFRS) 9, *Financial Instrument*.
- z. Decrease in Net Changes in Fair Value of Investments was due to the effect of the adoption of the new standard PFRS 9.
- aa. Increase in Accumulated re-measurement of defined benefit plans was due to increase in value of plan assets.
- bb. Increase in Non-Controlling Interest was due to net income of subsidiaries.

Results of Operation (March 31, 2021 vs March 31, 2020)

- a. Increase in Sales of Real Estate Properties was due to increase in the percentage of completion of the ongoing project. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion)
- b. Decrease in Financial Income was due to lower interest income from installment contracts receivables, contract assets, cash equivalents, short-term and long-term investments and notes receivable.
- c. Increase in Rent Income was due to rentals earned from the buildings for lease, CityNet 1 and CityNet Central, and additional long-term lease contracts entered by the Group.
- d. Decrease in Other Income - net was due to the higher loss on forfeited units as of March 31, 2021.
- e. Increase in Cost of Real Estate Sales was due to increase in percentage of completion as this also moves in tandem with sales.
- f. Decrease in Operating Expenses was significantly due to decrease in brokers’ commission, taxes and licenses, professional fees and light, power and water expenses.
- g. Decrease in Financial Expenses was substantially due to interest expense on notes payable.
- h. Decrease in Provision for Income Tax was due to lower tax rate as an effect of the approval of CREATE Act. The said Act was effective July 1, 2020.
- i. Decrease in Net Income was due to the significant increase in cost of real estate sales.
- j. Increase in Remeasurement Loss reflected in other comprehensive income was due to the remeasurement of deferred income tax assets/liabilities using the new income tax rate.

Results of Operations (2020 vs. 2019)

- a. Decrease in Sales of Real Estate Properties was primarily due to lower sales generated due to the financial crisis brought about by the COVID-19 pandemic.
- b. Decrease in Financial Income was due to lower interest income from installment contracts receivables, cash equivalents, investments and dividend income.
- c. Increase in Rental Income was due to rentals earned from the buildings for lease, CityNet 1 and CityNet Central, and additional long-term lease contracts entered by the Group.
- d. Increase in Other Income was due to the increase in the number of repossessed inventories wherein these were recorded at fair market value less cost to sell upon repossession.
- e. Decrease in Cost of Real Estate Sales was due to lower sales of real estate properties.
- f. Decrease in Operating Expenses was due to lower sales and decrease in personnel expenses, taxes and licenses, professional fees, outside services expense, advertising and promotions, insurance expense, repairs and maintenance, rent expense and donations.
- g. Decrease in Financial Expenses was due to decrease in capitalized borrowing costs.
- h. Decrease in Provision for Income Tax was due to lower taxable income.
- i. Decrease in Net Income was primarily due to lower revenues.

Results of Operations (2019 vs. 2018)

- a. Increase in Sales of Real Estate Properties was primarily due to higher sales generated from Pioneer Heights 1, 101 Xavierville, One Premier and One Taft Residences and increase of percentage of completion of all ongoing projects.
- b. Increase in Financial Income was due to higher interest income from installment contracts receivables, contract assets, cash equivalents, investments and guaranty deposit.
- c. Increase in Rental Income was due to rentals earned from the buildings for lease, CityNet 1 and CityNet Central, and additional long-term lease contracts entered by the Group.
- d. Increase in Other Income was due to the increase in fair market value of repossessed real estate properties for sale and gain on sale of shares of stock.
- e. Increase in Cost of Real Estate Sales was due to higher sales and percentage of completion of projects.
- f. Increase in Operating Expenses was due to higher sales and increase in personnel expenses, taxes and licenses, professional fees, light, power and water, insurance expense, repairs and maintenance, brokers' commission, and donations.
- g. Increase in Financial Expenses was due to higher interest rates and recognition of interest expense on lease liability as part of adoption of PFRS 16.
- h. Decrease in Other Expenses was due to lower adjustment of prior years' income from forfeited units.
- i. Increase in Provision for Income Tax was due to higher taxable income and expiration of ITH entitlement of One Taft Residences and Pines Peak Tower II.
- j. Increase in Net Income was primarily due to higher revenues and lower other expenses.

Results of Operations (2018 vs. 2017)

- a. Increase in Sales of Real Estate Properties was primarily due to higher sales generated from Pines Peak Tower II and North Residences and construction accomplishment of Pines Peak Tower II, North Residences and One Taft Residences.
- b. Increase in Financial Income was due to higher interest income from installment contracts receivables and cash investments, contract assets, notes receivables and guaranty deposit.
- c. Increase in Rental Income was due to rentals earned from the buildings for lease, CityNet1 and CityNet Central, and additional long-term lease contracts entered by the Group.
- d. Decrease in Other Income was due to the decrease in reversal of realized gross profit from prior year's sales arising from forfeitures.
- e. Increase in Cost of Real Estate Sales was due to higher sales of real estate properties.
- f. Increase in Operating Expenses was due to higher sales and increase in personnel expenses, depreciation, professional fees, taxes and licenses, outside services, repairs and maintenance, rent expense, brokers' commission, insurance expense, power, light and water, and other operating expenses.
- g. Increase in Financial Expenses was due to higher interest rates.
- h. Increase in Other Expenses was due to higher income from prior years' forfeited units.
- i. Decrease in Provision for Income Tax was due to lower deferred income tax from the decrease in unrealized gain on real estate transactions.

- j. Increase in Net Income was primarily due to higher revenues and lower provision for income tax

Information on Independent Accountant

Sycip Gorres Velayo & Co. is the Group's external auditor for the years 2020 and 2019. The engagement partner for the year 2019 and 2018 is Ms. Aileen L. Saringan.

	External Audit Fees	
	2020	2019
Audit and audit-related fees (Parent Company)	₱1,080,000	₱1,065,000
Tax fees	—	—
All other fees	—	—
Total	₱1,080,000	₱1,065,000

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

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

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

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

DIVIDENDS AND MARKET PRICE OF SHARES OF STOCK

1. Dividends Policy

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

	2020	2019	2018
Cash	₱0.030	₱0.0450	₱0.0301
Stock	5%	5%	6.5%

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

On May 10, 2021, the Board of Directors of CDC approved the declaration of 5% stock dividends. Such declaration shall be presented for the approval of the stockholders during the Annual Stockholders' Meeting to be held on June 22, 2021.

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

The stock prices of CDC are as follows:

		Unclassified Common Shares	
		High	Low
2021	First Quarter	0.96	0.91
2020	First Quarter	0.83	0.62
	Second Quarter	0.76	0.67
	Third Quarter	0.85	0.70
	Fourth Quarter	0.85	0.77
2019	First Quarter	1.05	0.85
	Second Quarter	1.01	0.85
	Third Quarter	1.05	0.82
	Fourth Quarter	0.87	0.80

Note: Prices in 2019 took into account the 6.5% and 5.0% stock dividends declared to the stockholders of record as of April 12, 2019 and July 5, 2019, respectively.

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 May 12, 2021 at ₱0.90 per share.

6. Public Ownership

Total number of shares owned by the public as of March 31, 2021 is 1,427,961,576 shares which represent 30.88% of the total 4,625,863,627 number of listed common shares.

7. Holders

a. The number of shareholders of record as of March 31, 2021 was 652.

b. The Top 20 Stockholders of record as of March 31, 2021 are as follows:

	No. of Shares Held	Percentage
1. Cityland, Inc.	2,357,085,450	50.98 %
2. PCD Nominee Corporation – Filipino	976,591,098	20.60
3. Liuson, Grace C.	221,372,726	4.79
4. Roxas, Stephen C.	147,295,376	3.19
5. Liuson, Andrew I. (Dr.)	141,527,294	3.06
6. Gohoc, Josef C.	102,206,229	2.21
7. Roxas, Helen C.	70,286,922	1.52
8. PCD Nominee Corporation – Foreign	43,261,202	0.94
9. Recto, Ester	36,108,392	0.78
10. Gohoc, Johann C.	31,475,200	0.68
11. Roxas, Stephen C. or Roxas, Jefferson C.	25,339,227	0.55
12. Liuson, Grace C. or Gohoc, Josua C.	25,339,227	0.55
13. Jefcon, Inc.	21,444,101	0.46
14. Chiong, Daniel Yen	21,086,116	0.46
15. Tan, Joyce Liuson or Tan, Philip Sim	20,655,190	0.45
16. Chang, Rita D.	20,001,083	0.43
17. Obadiah, Inc.	19,749,867	0.43
18. Shao Chien Yin &/or Shao Christine L.	16,892,808	0.37
19. Chiong, Elizabeth	14,077,341	0.30
20. Recto, Ester	14,077,341	0.30

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

- a. There was no sale of unregistered securities.
- b. The total number of shares issued and outstanding of the Company is 4,405,677,031 for 2021 and 2020 excluding 1,937,947 treasury common shares.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

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

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

We have implemented the periodic self-rating system.

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

There were no major deviations that require sanctions.

3. Any plan to improve corporate governance of the company

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

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

ACKNOWLEDGEMENT

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

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

With God's grace, we look forward to a better year in 2021 for Cityland and the real estate industry.

Upon written request, the Company undertakes to provide without charge a copy of the Annual Report on SEC Form 17-A. Copies can be picked up from Ms. Michelle Marcelino, 3/F Cityland Condominium 10 Tower II, 154 H.V. Dela Costa Street, Makati City, Tel. 8-893-6060 local 409.