COVER SHEET

SEC Registration Number

152661

COMPANY NAME

CITY & LAND DEVELOPERS, INCORPORATED

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
20-IS	MSRD	N/A

(Definitive Information Statement)

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
cldi_rg@cityland.net	**8-893-6060**	**0968-545-1452**

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

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	**cdc_rg@cityland.net**	**8-893-6060**	**0968-545-1452**

CONTACT PERSON'S ADDRESS

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

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

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

CITY & LAND DEVELOPERS, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting (ASM) of **CITY & LAND DEVELOPERS, INCORPORATED (the Company)** will be held virtually or via remote communication on **June 13, 2023, Tuesday at 4:00PM.**

The following shall be the agenda of the meeting:

A G E N D A

1. Call to Order
2. Proof of Notice of Meeting
3. Determination of Quorum and Rules of Conduct and Procedures
4. Approval of Minutes of Previous Annual Stockholders' Meeting
5. President's Report
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Confirmation of all acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022 adopted in the ordinary course of business, including but not limited to:
    a. Approval of investments;
    b. Treasury matters related to opening of accounts and bank transactions;
    c. Appointment of signatories and amendments thereof; and
    d. Approval of Annual Report and related Financial Statements
9. Other matters which may be raised by the body
10. Adjournment

For the purpose of the meeting, only stockholders of record as of May 12, 2023 are entitled to attend and vote in the said meeting.

In light of the COVID-19 pandemic, stockholders who intend to attend and participate in the virtual meeting whether through proxy or not shall first submit via email to info@professionalstocktransfer.com the scanned copy of the letter of intent to attend to or to participate via proxy by remote communication. Once validated, a registered stockholder who will attend through proxy will receive via email the proxy form.

Validation of proxies shall be until 4:00 PM of June 5, 2023. Registered stockholders will receive the meeting link and password two days before the ASM.

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

We are not soliciting your proxy.

The requirements and procedure for voting and participation in the meeting through remote communication will be discussed further in the Information Statement which shall be made available to the public not later than May 22, 2023 through PSE Edge and the Company's website.

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

For account updating concerns, please contact the Company's Stock Transfer Agent, Professional Stock Transfer, Inc. (Attention: Mr. Crescensio P. Montemayor - *President*), through 8687-2733 or via email info@professionalstocktransfer.com.

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

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

Copies of the minutes of the Annual Stockholders' Meeting held last June 14, 2022 will be available upon request.

Makati City, April 27, 2023

FOR THE BOARD OF DIRECTORS

ATTY. ANDRE ANTON S. SUAREZ
Corporate Secretary

EXPLANATION OF AGENDA ITEMS REQUIRING STOCKHOLDERS' APPROVAL

In accordance with *Article VII – Stockholders' Meeting* of the Company's Amended By-Laws, the annual meeting of the stockholders shall be held every second Tuesday of June of each calendar year at four o'clock in the afternoon, when the Board of Directors shall be elected by plurality of votes by ballot system or viva voce. The 2023 Annual Stockholders' Meeting (hereinafter referred to as "ASM") shall be held on June 13, 2023.

Item 1: Call to Order

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

Item 2: Proof of Notice of Meeting

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

The Corporate Secretary (or Secretary) will certify the date when notices for the 2023 ASM were sent out to the stockholders of record, including the date of publication and the newspapers where the notice was published.

Item 3: Determination of Quorum and Rules of Conduct and Procedures

Rationale: To determine the presence of a quorum for the 2023 Annual Stockholders' Meeting and to inform the stockholders of the voting procedures for the agenda items to be discussed in the ASM.

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

Voting Procedures

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

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

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

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

The voting procedures are discussed in the Information Statement.

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

Rationale: To obtain from the stockholders the approval of the minutes of the ASM held last June 14, 2022.

The Chairman will request the Secretary to read the minutes of the said meeting. The minutes of ASM held last June 14, 2022 are posted in the Company's website (http://cityland.net/). The minutes of the previous ASM are hereby presented to the stockholders for approval.

Item 5: President's Report

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

The Secretary will read the President's Report on the Company's financial position and performance as of and for the year ended December 31, 2022 including any future projects of the Company. The detailed discussion of the financial position and results of operations are presented in the Information Statement. The audited financial statements are duly submitted to the Securities and Exchange Commission, Philippine Stock Exchange and the Bureau of Internal Revenue.

Representatives of Sycip Gorres Velayo & Co., the Company's external auditor for the Year 2022, are invited in the ASM to respond to queries concerning the audited financial statements.

Item 6: Election of Directors (including Independent Directors)

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

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

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

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

Item 7: Appointment of External Auditor

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

The Audit and Risk Committee will recommend to the Board of the Directors the appointment of external auditor who will provide an opinion on the fairness of the financial statements of the Company and assess the adequacy of internal controls implemented by the Company. The Audit and Risk Committee, in its meeting held on April 11, 2023, recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditors for the calendar year 2023.

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

Item 8: Confirmation of all acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022 adopted in the ordinary course of business

Rationale: To obtain from the stockholders confirmation of all the acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022.

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

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

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

The Chairman will ask the stockholders if there are other matters which any stockholder would like to present in the ASM. Such item/s will be discussed in the 2023 ASM.

PROXY

The undersigned stockholder of CITY & LAND DEVELOPERS, INCORPORATED (the Company) hereby appoints ____________________________ or in his absence, the Chairman of the meeting, as his/her/its attorney-in-fact or proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company to be held on June 13, 2023 at 4:00 PM and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of Minutes of Previous Annual Stockholders' Meeting held on June 14, 2022

   ☐ Yes ☐ No ☐ Abstain

2. Approval of President's Report

   ☐ Yes ☐ No ☐ Abstain

3. Election of Directors (including Independent Directors)

   ☐ Vote for all nominees listed below:

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

   ☐ Withhold authority to vote for all nominees listed above

   ☐ Withhold authority to vote for the nominees listed below:

   ____________________________ ____________________________
   ____________________________ ____________________________
   ____________________________ ____________________________

4. Appointment of Sycip, Gorres, Velayo & Co. as External Auditor

   ☐ Yes ☐ No ☐ Abstain

5. Ratification and approval of all acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022 adopted in the ordinary course of business

   ☐ Yes ☐ No ☐ Abstain

6. Approval of the Board Resolution dated April 28, 2023 regarding the declaration of 5% stock dividends.

   ☐ Yes ☐ No ☐ Abstain

7. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

____________________________ ____
Date Printed Name of Stockholder

____
Signature of Stockholder/ Authorized Signatory

Proxy solicitation is made by or on behalf of the Company. This proxy should be received for validation by stock transfer agent, Professional Stock Transfer, Inc. thru info@professionalstocktransfer.com on or before June 5, 2023, the deadline for submission of proxies. The said proxies will also be validated by the Corporate Secretary.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy. Proxies executed by brokers must be accompanied by a certification under oath stating that the broker has obtained the written consent of the account holder.

CERTIFICATION

I, Rudy Go, Senior Vice President of City & Land Developers, Incorporated (the Company) with SEC Registration No. of 152661 with principal office address at 3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, on oath state:

1. That I have caused this SEC Form 17C, **Item No. 9 - Other Events** to be prepared on behalf of City & Land Developers, Incorporated;

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this **27th day of April 2023.**

Rudy Go
Affiant

SUBSCRIBED AND SWORN to before me this day APR 27 2023 at MANILA, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

Doc. No. 474;
Page No. 96;
Book No. III;
Series of 2023.

ATTY. ALBERT ANTHONY H. OCAMPO
NOTARY PUBLIC FOR MANILA
UNTIL DECEMBER 31, 2023

581 Quintin Paredes St., Binondo, Manila

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

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

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

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

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

4. SEC Identification Number **152661**

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

6. **3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City** **1226**
   Address of principal office Postal Code

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

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

   Date - **June 13, 2023**
   Time - **4:00 PM**
   Place - **Virtually or via ZOOM**

9. Approximate date on which the Information Statement is to be first sent or given to security holders **May 22, 2023.**

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

Title of Each Class	Number of Shares Outstanding
Unclassified Common Shares	**1,503,374,202**

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

    Yes [**X**] No [ ]

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

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date	-	June 13, 2023
Time	-	4:00 P.M.
Place	-	Virtually or via ZOOM
Principal Office	-	3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City, Philippines

Approximate date on which the Information Statement is to be first sent or given to security holders **May 22, 2023.**

II. Dissenters' Right of Appraisal

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

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

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

3. In case of merger or consolidation; and

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

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

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

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

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

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

a. No person who has been a director or officer of the Registrant, nor a nominee for election as a director of the Registrant, nor any of their associates have a substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting, other than the election of directors for the fiscal year 2023.

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

B. <u>CONTROL AND COMPENSATION INFORMATION</u>

IV. Voting Securities and Principal Holders Thereof

a. The Registrant has **1,503,374,202** unclassified common shares issued and outstanding as of **March 31, 2023.** Each common share shall be entitled to one vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.

b. The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting and also to this information statement is on **May 12, 2023.**

c. In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he owns multiplied by the number of directors to be elected. All stockholders shall have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

d. Security Ownership of Record and Beneficial Owners owning more than 5% of the outstanding capital stock of the Registrant as of March 31, 2023:

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified common shares	Cityland Development Corporation 2/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City -principal stockholder	*Refer to succeeding table for the beneficial owners of Cityland Development Corporation*	Filipino	747,632,380	49.73%
Unclassified common shares	Cityland, Inc. 3/F Cityland Condominium 10 Tower I, 156 H.V. Dela Costa Street, Makati City -principal stockholder	*Refer to succeeding table for the beneficial owners of Cityland, Inc.*	Filipino	444,064,420	29.54%

The following directors direct the voting or disposition of shares held by Cityland Development Corporation (beneficial owners) as of March 31, 2023:

Title of Class	Name, Address of Record Owner & Relationship with Cityland Development Corporation	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified common shares	Dr. Andrew I. Liuson 2072, Lumbang Cor. Director/Chairman of the Board	- same as record owner -	Filipino	176,679,753	3.64%
Unclassified common shares	Mrs. Grace C. Liuson 2072, Lumbang Cor. Director/Vice Chairman of the Board	- same as record owner -	Filipino	234,914,951	4.84%

Unclassified common shares	Mr. Josef C. Gohoc Director/President	- same as record owner -	Filipino	117,068,987	2.41%
Unclassified common shares	Mrs. Helen C. Roxas Director	- same as record owner -	Filipino	73,801,268	1.52%
Unclassified common shares	Mr. Peter S. Dee Independent Director	- same as record owner -	Filipino	620,795	0.01%
Unclassified common shares	Mr. George Edwin SyCip Independent Director	- same as record owner -	American	1,232	–
Unclassified common shares	Bp. Eduardo C. Villanueva Independent Director	- same as record owner -	Filipino	1,050	–
Unclassified common shares	Mr. Benjamin I. Liuson Director	- same as record owner -	Filipino	523,742	0.01%
Unclassified common shares	Mr. Jefferson C. Roxas Director	- same as record owner -	Filipino	128,651,197	2.64%

The following directors/stockholder direct the voting or disposition of the shares held by Cityland, Inc. (beneficial owners) as of March 31, 2023:

Title of Class	**Name, Address of Record Owner & Relationship with Cityland, Inc.**	**Beneficial Owner & Relationship with Record Owner**	**Citizenship**	**No. of Shares Held**	**Percentage**
Unclassified common shares	Dr. Andrew I. Liuson Director/Chairman of the Board	- same as record owner -	Filipino	20,345,119	13.63%
Unclassified common shares	Mrs. Grace C. Liuson Director/Vice Chairman of the Board	- same as record owner -	Filipino	22,040,492	14.77%
Unclassified common shares	Mr. Josef C. Gohoc Director/President	- same as record owner -	Filipino	2,318,713	1.55%
Unclassified common shares	Mrs. Helen C. Roxas Director	- same as record owner -	Filipino	13,563,404	9.09%
Unclassified common shares	Mr. Peter S. Dee Independent Director	- same as record owner -	Filipino	50	0.00%

Title of Class	Name, Address of Record Owner & Relationship with Cityland, Inc.	Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified common shares	Mr. Benjamin I. Liuson Director	- same as record owner -	Filipino	11	0.00%
Unclassified common shares	Mr. Jefferson C. Roxas Director	- same as record owner -	Filipino	87,543	0.06%
Unclassified common shares	Bp. Eduardo C. Villanueva Independent Director	-same as record owner -	Filipino	10	0.00%
Unclassified common shares	Mr. Stephen C. Roxas Stockholder owning more than 5% of Cityland, Inc.	- same as record owner -	Filipino	42,077,126	28.20%
Unclassified common shares	The Good Seed Sower Foundation, Inc. Stockholder owning more than 5% of Cityland, Inc.	Josef Gohoc, President Winefreda Go, Treasurer Johann Gohoc, Corporate Secretary Joel Gohoc, Trustee Emma Choa, Trustee	Filipino	22,379,564	15.00%
Unclassified common shares	Mrs. Lucy Fan Stockholder owning more than 5% of Cityland, Inc.	- same as record owner -	American	13,563,404	9.09%

e. Security Ownership of Management as of March 31, 2023:

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Directors:					
Unclassified common shares	Cesar E.A. Virata Independent Director / Chairman of the Board	Filipino	103,467	0.00%	Direct
Unclassified common shares	Dr. Andrew I. Liuson Director / Vice Chairman of the Board	Filipino	19,011,277	1.26%	Direct / Indirect
Unclassified common shares	Grace C. Liuson Director / Deputy Vice Chairman of the Board	Filipino	7,073,964	0.47%	Direct
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	3,663,087	0.24%	Direct / Indirect
Unclassified common shares	Helen C. Roxas Director	Filipino	150,324	0.01%	Direct

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Unclassified common shares	Peter S. Dee Independent Director / Chairman - Audit and Risk Committee	Filipino	2,216,394	0.15%	Direct
Unclassified common shares	Benjamin I. Liuson Director	Filipino	1,180,253	0.08%	Direct
Unclassified common shares	Jefferson C. Roxas 2144 Paraiso St., Dasmariñas Village, Makati City Director	Filipino	6,348,705	0.42%	Direct
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Treasurer	Filipino	467,490	0.03%	Direct / Indirect
Executive Officers:					
Unclassified common shares	Cesar E.A. Virata Independent Director / Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Andrew I. Liuson Director / Vice Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Grace C. Liuson Director / Deputy Vice Chairman of the Board	Filipino	_	_	_
Unclassified common shares	Josef C. Gohoc Director / President	Filipino	_	_	_
Unclassified common shares	Emma A. Choa Director / Executive Vice President / Treasurer	Filipino	_	_	_
Unclassified common shares	Rudy Go Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer/ Data Protection Officer/ Investor Relations Officer	Filipino	308,730	0.02%	Direct
Unclassified common shares	Melita M. Revuelta Vice President/ Alternate Compliance Officer & Alternate Corporate Information Officer	Filipino	289,129	0.02%	Direct / Indirect
Unclassified common shares	Melita L. Tan Vice President	Filipino	68,220	0.00%	Direct
Unclassified common shares	Romeo E. Ng Vice President	Filipino	630,923	0.04%	Direct / Indirect

Title of Class	Name Position	Citizenship	Amount	Percentage	Nature of Ownership
Unclassified common shares	Rosario D. Perez Vice President – Executive Affairs	Filipino	238,909	0.02%	Direct
Unclassified common shares	Winefreda R. Go Vice President – Purchasing Department	Filipino	40,993	0.00%	Direct
Unclassified common shares	Dorothy U. So Assistant Vice President – Head of Internal Audit Department	Filipino	289,226	0.02%	Direct / Indirect
Unclassified common shares	Atty. Andre Anton S. Suarez Corporate Secretary	Filipino	–	–	–
Unclassified common shares	Jocelyn C. De Asis Assistant Corporate Secretary	Filipino	29,618	0.00%	Direct
Security Ownership of All Directors and Officers			**42,110,709**	**2.78%**	

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

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

h. Percentage of ownership as of March 31, 2023:

Nationality	Number of shares	Percentage of ownership
Local-owned shares (Filipino)	1,493,897,114	99.37
Foreign-owned shares (Non-Filipino)	9,477,088	0.63
Total	1,503,374,202	100.00

V. Directors and Executive Officers

a. Identify Directors, including Independent Directors, and Executive Officers

The following are the Directors and Executive Officers of the Company for the year 2022 with updated information as of March 31, 2023:

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Cesar E.A. Virata	Filipino	Chairman of the Board Independent Director Chairman – Corporate Governance Committee	09/05/2022 - Present 06/09/2009 - Present 04/06/2018 - Present	1	92	-
Dr. Andrew I. Liuson	Filipino	Director Vice Chairman of the Board Chairman of the Board Acting Chairman of the Board Vice Chairman of the Board	06/28/1988 - Present 09/05/2022 - Present 08/25/2020 - 09/04/2022 01/15/2020 - 08/24/2020 01/16/2008 - 01/14/2020	1	78	Husband of Grace C. Liuson and brother of Benjamin I. Liuson
Grace C. Liuson	Filipino	Director Deputy Vice Chairman of the Board Vice Chairman of the Board Deputy Vice Chairman of the Board	06/28/1988 - Present 09/05/2022 - Present 08/25/2020 - 09/04/2022 02/01/2011 - 08/24/2020	1	77	Wife of Andrew I. Liuson; sister-in-law of Helen C. Roxas; aunt of Josef C. Gohoc and Jefferson C. Roxas

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
Josef C. Gohoc	Filipino	Director President	01/04/2011 - Present 02/01/2011 - Present	1	53	Nephew of Andrew I. Liuson, Grace C. Liuson and Helen C. Roxas; and cousin of Jefferson C. Roxas
Helen C. Roxas	Filipino	Director	06/28/1988 - Present	1	73	Sister-in-law of Grace C. Liuson and Dr. Andrew I. Liuson; mother of Jefferson C. Roxas; and aunt of Josef C. Gohoc
Peter S. Dee	Filipino	Independent Director / Chairman-Audit & Risk Committee	11/22/2004 - Present	1	81	--
Benjamin I. Liuson	Filipino	Director	06/11/2019 - Present	1	73	Brother of Dr. Liuson; and brother-in-law of Grace C. Liuson
Jefferson C. Roxas	Filipino	Director	12/07/2021 - Present	1	40	Nephew of Dr Andrew I. Liuson, Grace C. Liuson; son of Helen C. Roxas; and cousin of Josef C. Gohoc
Emma A. Choa	Filipino	Director Executive Vice President Treasurer	08/25/2020 - Present 01/01/2015 - Present 02/01/2011 - Present	1	62	--
Rudy Go	Filipino	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer Data Protection Officer Investor Relations Officer	01/01/2015 - Present 08/29/2017 - Present 06/14/2018 - Present	1	63	--
Melita M. Revuelta	Filipino	Vice President / Alternate Compliance Officer & Alternate Corporate Information Officer	01/16/2008 - Present/ 01/01/2015 - Present	1	64	--
Melita L. Tan	Filipino	Vice President	02/21/2004 - Present	1	62	--
Romeo E. Ng	Filipino	Vice President	01/10/2005 - Present	1	61	--
Rosario D. Perez	Filipino	Vice President – Executive Affairs	02/09/2017 - Present	1	63	--
Winefreda R. Go	Filipino	Vice President – Purchasing Department	05/16/2017 - Present	1	64	--
Dorothy U. So	Filipino	Assistant Vice President– Head of Internal Audit	07/2001 - Present	1	63	--

Names	Citizenship	Position	Period of Service	Term of Office	Age	Family Relationship
		Department				
Atty. Andre Anton S. Suarez	Filipino	Corporate Secretary	04/05/2021 - Present	1	34	--
Jocelyn C. De Asis	Filipino	Assistant Corporate Secretary	07/03/2013 - Present	1	52	--

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

Business Experience for the past five (5) years up to present:

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

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

2. Dr. Andrew I. Liuson

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director Chairman of the Board	September 25,1979 December 13, 2017
Cityland, Inc.	Director Acting Chairman of the Board	May 15, 1979 December 7, 2021
Febias College of Bible	Chairman	
International Graduate School of Leadership	Chairman	
Philippine Council of Evangelical Churches	Chairman	
Makati Gospel Church	President/Trustee	
Past positions in other institutions:		
Cityland Development Corporation	Vice Chairman of the Board	January 16, 2008 - December 12, 2017
Cityland, Inc.	President	July 1, 1997 - January 15, 2008
Cityplans, Incorporated	Director	October 27, 1988 - March 8, 2022
	Chairman of the Board	September 5, 2006 - March 8, 2022

3.Grace C. Liuson

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director Vice Chairman of the Board	September 25,1979 January 5, 2018
Cityland, Inc.	Director Vice Chairman of the Board	May 15, 1979 February 1, 2022
Youth Gospel Center in the Philippines	Treasurer / Trustee	
Makati Gospel Church	Treasurer / Trustee	
Past positions in other institutions:		
Cityland Development Corporation	Deputy Vice Chairman of the Board	February 1, 2011 – January 4, 201
Cityland, Inc.	President	February 14, 2008 – January 31, 2011
Cityplans, Incorporated	Director	October 27, 198 – March 8, 2022
	Executive Vice President/Treasurer	September 25, 2006 --Mar. 8, 2022

4.Josef C. Gohoc

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director President	January 4, 2011 February 1, 2011
Cityland, Inc.	Director President	June 29, 2007 February 1, 2011
Cityplans, Incorporated	Chairman of the Board	March 8, 2022
Credit and Land Holdings, Inc.	President	
Cityads, Incorporated	President	
Asian Business Solutions, Inc.	Director	1996
Philippine Trading & Investment Corporation	Director	1997

Atlas Agricultural & Mercantile Development Corp.	Director	1997
Febias College of Bible	Board of Trustee	
International Graduate School of Leadership	Board of Trustee	

5.Peter S. Dee

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Alpolac, Inc.	Director	1994
China Banking Corpporation	Director	1977
CBC Properties & Computer Center, Inc.	Director / President	1984
Cityland, Inc.	Independent Director	December 2006
	Chairman- Audit & Risk Committee	January 2007
	Chairman- Corporate Governance Committee	July 27, 2018
Cityland Development Corporation	Independent Director	October 1979
	Chairman- Audit & Risk Committee	August 2002
Commonwealth Foods, Inc.	Director	May 2013
GDSK Development Corporation	Director	1990
Makati Curbs Holdings Corporation	Director	2012
Great Expectation Holdings, Inc.	Director / Chairman/ President	October 2012
The Big D Holdings Corporation	Director / Chairman/ President	April 2013
Past positions in other institutions:		
Hydee Management & Resources Corporation	Director	1991
Kemwerke, Inc.	Director	1994
CBC Insurance Brokers, Inc.	Chairman of the Board	
Cityplans, Incorporated	Independent Director	July 17, 1990 - March 8, 2022
	Chairman- Compensation Committee	2002 - March 8, 2022
	Chairman- Audit Committee	
	Member- Nomination and Election Committee	
Can Lacquer, Inc. *	Director	
GPL Holdings, Inc. *	Director	
KK Converters Co. Ltd.	Director	
MSD Company Inc. *	Director	
Prochem, Inc.	Director	
Sinclair (Phils.) Inc. *	Director	
Sol Mar Y Tierra Resources *	Director	
Silver Falcon Insurance Agency **	Director	
Banker's Association of the Philippines **	Director	
China Banking Corp. ***	President & CEO	
CBC Forex Corporation ****	Director / Chairman of the Board	
Asean Finance Corporation Limited	Director	

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

6.Helen C. Roxas

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

7.Benjamin I. Liuson

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	June 6, 2019
Cityland, Inc.	Director	November 19, 2019
The Generics Pharmacy, Inc	Chairman	2020
TGP Pharma Inc.	Chairman	2020
CL Realty Developrnent Inc.	President	1989
Romans 828 Land Inc.	President	2010
Silverwind Allov Castings lnc.	Director	1989
Drugmakers Lab Inc.	Director	2012
Febias College of Bible	Trustee	2001
Center for Community Transformation lnc.	Trustee	2001
Gospel Operation Phil Inc.	Trustee	2011
Bless Foundation Inc.	Trustee	2014
Global Filipino Movement. Inc.	Trustee	2013
Makati Gospel Church	Trustee	1990
Jedidiah Inc.	President	1996
Keziah Inc.	President	1996
Past Positions in other institution:		
The Generics Pharmacy, Inc.	Vice Chairman	2016 to 2020

8.Jefferson C. Roxas

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Director	December 7, 2021
Cityland, Inc.	Director	December 7, 2021
Cityplans, Incorporated	President	March 1, 2022
Vision Properties Development Corporation	Partner	2010

9.Emma A. Choa

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Executive Vice President Treasurer	January 1, 2015 February 1, 2011
Cityland, Inc.	Executive Vice President Treasurer	January 1, 2015 February 1, 2011
Cityplans, Incorporated	Director	Mar. 8, 2022

WorldNet Information and Services, Inc.	Treasurer	-
The Good Seed Sower Foundation, Inc.	Board of Trustee	May 28, 2021
Past positions in other institution:		
Cityland Development Corporation	Director	

10. Rudy Go

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer/	January 1, 2015
	Data Protection Officer/	August 29, 2017
	Investor Relations Officer	June 6, 2018
Cityland, Inc.	Senior Vice President/ Chief Financial Officer/ Compliance Officer & Corporate Information Officer	January 1, 2015
	Data Protection Officer	August 29, 2017
Cityplans, Incorporated	Senior Vice President/ Compliance Officer	January 1, 2015
	Data Protection Officer	August 29, 2017

11. Melita M. Revuelta

Name of Office	Position	Date Assumed
Present positions in other institutions:		
Cityland Development Corporation	Vice President / Alternate Compliance Officer & Alternate Corporate Information Officer	January 16, 2008/ January 1, 2015
Cityland, Inc.	Vice President & Asst. Corporate Secretary / Alternate Compliance Officer & Alternate Corporate Information Officer	January 16, 2008/ January 1, 2015
Cityplans, Incorporated	Vice President/Alternate Compliance Officer	January 1, 2015
Worldnet Information and Services, Inc.	President	

12. Melita L. Tan

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

13. Romeo E. Ng

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

14. Rosario D. Perez

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

15. Winefreda R. Go

Name of Office	Position	Date Assumed
Present position in other institutions:		
Cityland Development Corporation	Vice President	Jauary 5, 2018
Cityland, Inc.	Vice President	Jauary 5, 2018

16. Dorothy U. So

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

17. Atty. Andre Anton S. Suarez

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

18. Jocelyn C. De Asis

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

b. Identify Significant Employees

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

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

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

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

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

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

d. Attendance of Board of Directors

For the year 2022, there were 29 Board of Directors' meetings. Below is the summary attendance of the members of the Board of Directors:

	No. of Meetings Attended / Held		
	Regular	Special	Total
Mr. Cesar E.A. Virata	2 / 2	27/27	29/29
Dr. Andrew I. Liuson	2 / 2	27/27	29/29
Mrs. Grace C. Liuson	2 / 2	27/27	29/29
Mr. Josef C. Gohoc	2 / 2	27/27	29/29
Mr. Peter S. Dee	2 / 2	27/27	29/29
Mrs. Helen C. Roxas	2 / 2	27/27	29/29
Mr. Benjamin I. Liuson	2 / 2	27/27	29/29
Mr. Jefferson C. Roxas	2 / 2	27/27	29/29
Ms. Emma A. Choa	2 / 2	27/27	29/29

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

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

- **COMPANY**

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

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

   CLDI stated in its Answer that plaintiff has not proven its claim over Benedictine Street because the Deed of Donation used by the plaintiff is a falsified and/or spurious document. Furthermore, there is a Right-of-Way Agreement for Benedictine Street. Case was dismissed.

   However, SAVHA filed a Motion for Reconsideration which was granted. SAVHA's unnotarized Judicial Affidavit of first witness was expunged from the records of the case. SAVHA's legal counsel withdrew from the case. New counsel for SAVHA appeared. First witness of SAVHA was cross-examined by CLDI counsel – witness got confused as to identity of respondent and presented title of CI but they sued CLDI, hence, complainant sued the wrong corporation. SAVHA submitted its Motion for Leave to Admit Amended Complaint which CLDI opposed. The Court denied the Motion and its succeeding Motion for Reconsideration and ordered the continuation of the hearing for the case. SAVHA was not able to present any other witness, after being given several opportunities to do so, such that the Court, with its patience exhausted already, directed SAVHA to make a formal offer of its evidences. As SAVHA's formal of evidence stands, there is nothing presented by it which establishes its claim against CLDI, as asserted in CLDI's opposition/comment thereto. Hearing for the case is ongoing.

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

   DPWH filed a Complaint for Expropriation for certain portions of the properties, including the improvements therein, of CLDI located in Barangay Tambo, Parañaque City, which will be part of the NAIA Expressway Project Phase II.
   CLDI disputed the valuation made by the DPWH on the properties. The Court issued a Decision in favour of CLDI. The DPWH thru the Office Solicitor General (OSG) filed its Motion for Reconsideration which was granted by the new presiding Judge. CLDI filed a Notice of Appeal which was favorably granted by the Court of Appeals. The OSG filed its Motion for Consideration, then CLDI filed its Comment/Objection thereto. An amended decision was issued by the Court of Appeals as to the interest to be paid by the DPWH. Entry of Judgment has been issued by the Court of Appeals. Record were remanded to Parañaque RTC and the proceedings for the execution of the judgment is now ongoing.

- **PROPERTY**

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

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

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

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

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

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

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

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

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

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

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

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

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

Independent Directors	Nominating Stockholder
Cesar E.A. Virata	Romeo E. Ng
Peter S. Dee	Rosalinda M. Catimpo

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

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

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

Mr. Peter Dee and Mr. Cesar Virata have served as Independent Directors of the Company since 2004 and 2009, respectively. Their in-depth knowledge, wisdom and expertise in various industries helped the Company plan and attain its strategic objectives. Further, their irrefutable competencies and experience provide invaluable contribution to the Company.

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

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

The Board deems it untimely to consider other qualified individuals to replace Mr. Dee and Mr. Virata whose valuable insights and advice helped the Company develop its key business thrusts and risk mitigation strategies. Their highly respected credentials and great contributions to the Company justify the Board's decision to retain Mr. Dee and Mr. Virata as nominees for re-election this coming 2023 Annual Stockholders' Meeting.

g. Procedures for Nomination and Election of Independent Directors

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

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

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

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

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

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

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

h. Related Party Transactions

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

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

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

Please refer to Note 21, *Related Party Transactions* of the Notes to the 2022 Audited Financial Statements that is incorporated in the Index to Financial Statements.

i. Members of the Audit and Risk Committee

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

j. Parent of the Registrant

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

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VI. Compensation of Directors and Executive Officers

Executive Compensation Summary Tables

NAME	POSITION	2023 (estimate)
Josef C. Gohoc	**President**	**X**
Winefreda R. Go	**VP – Purchasing Department**	**X**
Alrolnik M. Fernando	**AVP - Admin. Department**	**X**
Marlon V. Olpindo	**AVP- Design & Development Department**	**X**
Zenaida C. Ng	**Senior Manager**	**X**
Salaries		₱5,430,972
Bonus		1,394,343
Others		155,600
Total (Top 5)		**₱6,980,915**
Salaries		₱3,801,249
Bonus		1,017,096
Others		182,400
Total Other Officers & Directors as a group unnamed		**₱5,000,745**
Grand Total		**₱11,981,660**

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

NAME	POSITION	2021 (actual)
Josef C. Gohoc	President	X
Winefreda R. Go	VP - Purchasing Department	X
Marlon V. Olpindo	AVP- Design & Development Department	X
Alrolnik M. Fernando	Senior Manager	X
Jocelyn F. Kwong	Senior Manager	X
Salaries		₱5,063,834
Bonus		1,310,459
Others		1,406,888
Total (Top 5)		**₱7,781,181**
Salaries		₱6,258,901
Bonus		1,665,016
Others		2,512,552
Total Other Officers & Directors as a group unnamed		**₱10,436,469**
Grand Total		**₱18,217,650**

The Company has no standard arrangements with regard to remuneration of its directors. In 2022, 2021 and 2020, the BOD received a total of ₱6.63 million, ₱2.79 million and ₱5.33 million, respectively. Moreover, the Company has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Company does not have any arrangements for stock warrants or options offered to its employees.

VII. Independent Public Accountants

a. SyCip Gorres Velayo & Co. (SGV & Co.) is the Company's external auditor for the calendar year 2022. The same accounting firm is being recommended for re-appointment at the scheduled 2023 Annual Stockholders' Meeting.

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

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

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

OTHER MATTERS

VIII. Action with Respect to Reports

The Minutes of the Annual Stockholders' Meeting held last June 14, 2022 will be read and submitted to the stockholders for their approval. Said Minutes state that the following matters were approved by the stockholders during the 2022 stockholders' meeting:

Agenda Items:	Approving	Dissenting	Abstaining
Approval of Minutes of Previous Meeting	1,211,753,608 votes	--	--
Approval of President's Report	1,211,753,608 votes	--	--
Election of Directors (including Independent Directors): a. Dr. Andrew I, Liuson b. Mrs. Grace C. Liuson c. Mr. Josef C. Gohoc d. Mr. Cesar E.A. Virata e. Mr. Peter S. Dee f. Mr. Benjamin I. Liuson g. Mrs. Helen C. Roxas h. Ms. Emma A. Choa i. Mr. Jefferson C. Roxas	1,211,753,608 votes or 84.63% of the outstanding capital stock	--	--
Appointment of External Auditor: SyCip Gorres Velayo & Co. (SGV & Co.)	1,211,753,608 votes or 84.63% of the outstanding capital stock	--	--
Confirmation of all acts of the Board of Directors for the period covering January 1, 2021 to December 31, 2021 adopted in the ordinary course of business.	1,211,753,608 votes or 84.63% of the outstanding capital stock	--	--

The minutes of ASM also contain the following items:

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

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

IX. Other Proposed Actions

1. Confirmation of all acts of the Board of Directors for the period covering January 1, 2022 to December 31, 2022 adopted in the ordinary course of business:
   a. Approval of investments;
   b. Treasury matters related to opening of accounts and bank transactions;
   c. Appointment of signatories and amendments thereof; and
   d. Approval of Annual Report and related financial statements.

2. Appointment of external auditor

   The Audit and Risk Committee, in its meeting held on April 11, 2023, recommended to the Board of Directors the re-appointment of Sycip Gorres Velayo & Co. as the Company's external auditor for the calendar year 2023.

3. Approval of the Board Resolution dated April 28, 2023 regarding the declaration of 5% stock dividends out of the unappropriated retained earnings as of December 31, 2022.

X. Voting Procedures

1. Vote Required for Approval or Election

   At least majority of the outstanding capital stock of the Registrant is required for the election of directors and for the approval of the following matters:
   a. Minutes of the previous Annual Stockholders' Meeting;
   b. Appointment of external auditor; and
   c. Acts of the management and of the Board of Directors relative to the Annual Report and related financial statements.

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

3. In light of the COVID-19 global pandemic, the Board of Directors has decided to conduct a virtual ASM via Zoom. As a result, there will be no physical venue allotted for stockholders to attend the meeting.

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

   Validation of proxies shall be until 4:00 pm of June 5, 2023. Registered stockholders will receive the meeting link and password two days before the ASM.

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

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

   Other matters which any stockholder would like to present in the ASM shall be sent via email to stocks@cityland.net on or before June 5, 2023 at 4:00PM. The Company's responses to the questions shall be discussed during the ASM.

[SIGNATURE ON THE NEXT PAGE]

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 19, 2023 .

CITY & LAND DEVELOPERS, INCORPORATED

JOSEF C. GOHOC
President

CITY & LAND DEVELOPERS, INCORPORATED
THE PRESIDENT'S REPORT

The Philippine real estate industry show resurgence in 2022 despite the challenges brought about by COVID-19 pandemic. Throughout the year, the real estate sector proved to be resilient, providing significant contributions to the country's economic growth. One of the key factors that drove the industry's success was the demand for housing. With the increase in population, there is a growing demand for affordable housing especially for the middle-income segment of the market. As a result, developers took advantage of this opportunity by constructing and launching projects within the areas with high demand. Other than the housing options, the increase in demand for office and commercial spaces was also noted in 2022 due to the continuous decline in COVID-19 cases which allowed the increase in business activities. As the economy recovers, more businesses are expanding thus, increasing the demand for office and commercial spaces.

In addition, the Philippine government's infrastructure projects also drove the growth in real estate industry. The Build Build Build program aims to improve the country's transportation and logistics infrastructure which provided more opportunities to for real estate developers. The Philippine Gross Domestic Product (GDP) posted a growth of 7.2 percent in the fourth quarter of 2022, resulting to a 7.6 percent full-year growth in 2022.
(Source: https://psa.gov.ph/content/gdp-expands-72-percent-fourth-quarter-2022-and-76-percent-full-year-2022))

The pandemic allowed companies to explore alternatives to continuously generate income despite the strict quarantine restrictions implemented in 2020 and 2021. In the real estate sector, companies explored the virtual house tours and virtual meetings together with the implementation of online sales portal to take advantage of the technology. These initiatives were continuously being utilized in 2022 which provided convenient way and faster processing of transactions.

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

GENERAL NATURE OF BUSINESS

A. Background Information

1. Brief Company History

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

   The Company is 49.73% and 29.54% owned by Cityland Development Corporation (CDC) and Cityland Inc., respectively, while the remaining 20.73% is owned by 742 various stockholders as of March 31, 2023. CLDI is a member of Cityland Group of Companies, a trusted name in real estate industry with proven track record of developing prestigious condominiums in cities of Pasig, Manila and Quezon City; and affordable house and lots in Parañaque City. The Group has been in property development business for more than forty (40) years.

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

2. Nature of Operations

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

Financial Performance

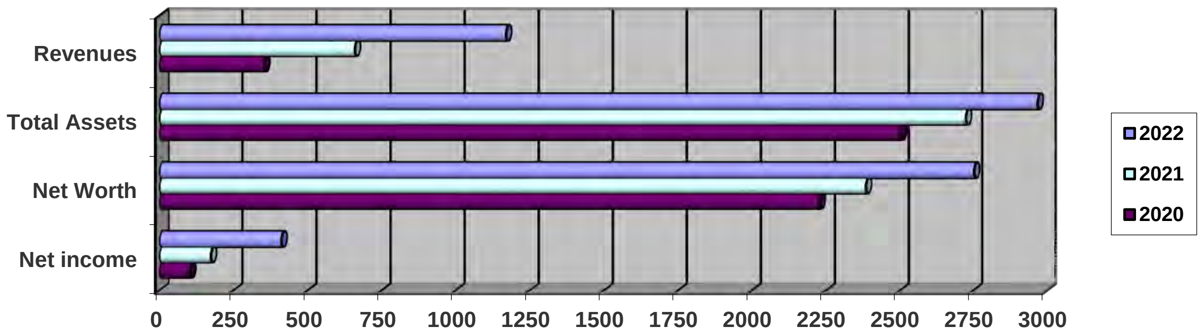
In October 2016, the Company launched One Taft Residences, a 40-storey mixed residential, office and commercial condominium located at 1939 Taft Avenue, Malate, Manila which was completed in May 2022.

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

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

FINANCIAL HIGHLIGHTS

	In Millions of Pesos		
	2022	**2021**	**2020**
Revenues	**1,170.36**	**660.08**	**354.47**
Total Assets	**2,969.63**	**2,725.18**	**2,504.13**
Net Worth	**2,753.11**	**2,385.02**	**2,228.39**
Net Income	**412.25**	**174.43**	**104.55**



1. **Project Description**

Future Project:

Bonifacio Place

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

Ongoing Project:

One Hidalgo

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

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

Completed Projects:

One Taft Residences

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

North Residences

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

Manila Residences Bocobo

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

Grand Emerald Tower

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

Pacific Regency

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

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

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

INTERNAL FACTORS

Refinancing

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

The Company manages such refinancing risks by having a current and acid-test ratio of 17.39:1 and 5.47:1 as of December 31, 2022 from 4.98:1 and 1.36:1 as of December 31, 2021, respectively.

Credit Risk

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

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

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

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

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

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

The financial assets at FVOCI are exposed to market risk. There is a risk for a decline in the value due to changes in the market. The exposure, however, is negligible because the amount of the said investment is insignificant as compared to the financial assets of the Company.

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

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

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

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

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

COMPANY'S BUSINESS AND OPERATIONS

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

The Company may be exposed to risks because of the possible changes in the value of these lots due to market circumstances which may result in impairment or decline in rental rate levels.

The Company currently has a lot for future development which is located in Metro Manila. The management continuously performs a study and research on the possible land acquisition which will depend on the need of the Company and negotiations with prospective sellers. For the land value changes, the Company continues to be cautious in buying new properties by conducting a thorough study of appraisal reports and conditions of the property within the vicinity.

Property development and construction

Construction of a condominium project starts with the planning and securing of permits then to the development or construction of the project and to the delivery or turnover of the units to the buyers. The construction to completion of a project averages three to four years. During this period, the Company may be exposed to the following risks:

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

These risks are managed by the Company as follows:

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

ECONOMIC FACTORS

Economic

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

Effect of climate change

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

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

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

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

- Adherence to the standards/requirements set by the regulatory agencies governing the real estate industry;
- Appointment of Pollution Control Officers in all condominium projects;
- Continuous study on how to improve the project from planning to construction until its completion;
- Active participation with the government's requirements to real estate developers (e.g. socialized housing , tree planting, etc.); and
- Avoiding hazards and mitigating their potential impacts by reducing vulnerabilities and exposure and enhancing capacities of communities.

Effect of COVID-19 pandemic

The Philippine real estate industry showed resurgence in 2022 despite the challenges brought about by COVID-19 pandemic. Throughout the year, the real estate sector proved to be resilient, providing significant contributions to the country's economic growth. One of the key factors that drove the industry's success was the demand for housing.

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

Political

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

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

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

Industry

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

Competition

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

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

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 Residential Real Estate Price Index (RREPI) is an indicator of change in the prices of residential properties in the Philippines over a period of time. The growth rate of the index measures the house price inflation. The RREPI is computed for the National Capital Region (AONCR) as well as for different types of housing units such as single detached houses, townhouses, and condominium unites to be able to measure real estate price changes across different areas and types of housing units. The RREPI is computed for new housing units only.
(Source: https://www.bsp.gov.ph/Statistics/Prices/TechnicalNotes_RREPI.pdf)

In the latest RREPI that the BSP complied, covering the third quarter of 2022, the regulator had seen signs of increased consumer pessimism toward the yearend. The index showed that prices of new housing units across the country had risen by 6.5% in the third quarter while housing loans fell by 4.2%. RREPI data are based on information related to actual mortgage loans granted to acquire new housing units only, which are submitted by universal, commercial and thrift banks in the country. On a year-on-year basis, residential property prices surged by 17.5% in the National Capital Region and by 2.3% in areas outside the National Capital Region. The BSP said this was primarily driven by the increase in the prices of condominium units and single-detached/attached houses, which outweighed the decrease in the prices of townhouses. Further, the number of residential real estate loans granted for all types of new housing units in the Philippines decreased by 4.2%. Of the loans granted, 48% was used to fund purchases of single-detached or attached houses; 39% for condominium units and 13% for townhouses.
(Source:https://business.inquirer.net/383717/bsp-buys-time-to-finetune-asset-bubble-tracking-indices)

As the demand for residential units increase, the Company ensures that proper and strategic planning is implemented to cope with the demand. Further, as the Philippine economy is seen to recover and that the demand for warehouses and commercial offices increases, 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.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Plan of Operations

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

Financial Condition (March 31, 2023 vs. December 31, 2022)

The Company's balance sheet as of March 31, 2023 remained solid with total assets of ₱3.02 billion, higher by 1.80% as compared to the balance as of December 31, 2022 of ₱2.97 billion. The increase in total assets was significantly due to sales of real estate properties and collection of receivables.

Excess funds were placed in short-term investments to maintain liquidity and generate additional interest income. The financial position remained stable as total cash and cash equivalents and short-term investments stood at ₱621.01 million and ₱502.55 million as of March 31, 2023 and December 31, 2022, respectively.

On the liabilities side, total liabilities increased by 9.30% from ₱216.53 million as of December 31, 2022 to ₱236.66 million as of March 31, 2023. This was primarily due to the increase in customers' deposits.

Total equity as of March 31, 2023 stood at ₱2.79 billion from ₱2.75 billion as of December 31, 2022, higher by 1.20%, due to comprehensive income of ₱33.17 million recognized as of March 31, 2023.

As a result of the foregoing, the Company registered current and acid test ratio of 13.41:1 and 4.22:1 as of the first quarter of 2023, as compared to 17.39:1 and 5.47:1 as of December 31, 2022. Asset-to-liability remained stable at 12.77:1 in March 31, 2023 as compared to 13.71:1 in December 31, 2022.

Financial Condition (2022 vs. 2021)

The Company's financial position for the year ended December 31, 2022 showed an increase in total assets amounting to ₱244.46 million equivalent to 8.97%. Total assets for the year ended December 31, 2022 stood at ₱2,969.63 million compared to ₱2,725.18 million as of December 31, 2021.

The increase in assets can be attributed to the increase in sales brought about by the economic recovery and collection of receivables during the year. Further, the completion of One Taft Residences contributed to the increase in sales as the revenue of the Company is based on percentage of completion. The healthy cash position of the Company allowed the Company to launch a new project in February 2023 thus the reclassification of a property from "Real Estate Properties Held for Future Development" to 'Real Estate Properties for Sale". Contract assets also increased due to the completion of One Taft Residences. As of December 31, 2022, the financial position remained stable as cash and cash equivalents and short-term investments stood at ₱103.05 million and ₱340.16 million.

The completion of One Taft Residences resulted to the following:

- Decline in accounts payable and accrues expenses; and
- Non-recognition of contract liabilities since there is no ongoing project as of December 31, 2022.

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

As a result of the foregoing, the Company translated to a current and acid test ratio of 17.39:1 and 5.47:1, respectively as of December 31, 2022, as compared to 4,97:1 and 1.36:1, respectively as of December 31, 2021. Asset-to-liability and debt-to-equity registered at 11.36:1 and 0.00:1 as of 11.36 December 31, 2022 from December 31, 2021 ratios of 8.01:1 and 0.00:1, respectively.

Financial Condition (2021 vs. 2020)

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

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

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

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

Financial Condition (2020 vs. 2019)

The Company's financial position remained stable in 2020 with total assets of ₱2.504.13 million, 2.33% higher as compared to the 2019 year-end balance of ₱2.447.17 million. Majority of the funds were used for operations and to finance the ongoing project, One Taft Residences, resulting to the increase in real estate properties for sale. The decrease in contract assets was due to right to consideration delivered resulting to increase in installment contracts receivable. Cash and cash equivalents decreased to ₱178.31 million from ₱237.66 million due to shift to short-term investments.

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

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

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

Results of Operation (March 31, 2023 vs. March 31, 2022)

Sales of real estate properties reached ₱105.72 million as of March 31, 2023 as compared to the previous year's sales of ₱288.22 million. Sales for the first quarter came from sale of condominium units of One Taft Residences and North Residences. There was a noted decline in sales in the 1st quarter of 2023 as compared to the same period in 2022 due to the recovery of the economy, loosening of quarantine restrictions and 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) in 2022. Further, as of March 31, 2023, though the Company has sold units from its newly launched project, no sales were recognized from such sale since the said project has not reached yet the required preliminary stage of completion.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents and short-term investments accounted for 23.14% of total revenues. Likewise, rental income amounted to ₱2.52 million as of the first quarter of 2023 as compared to ₱0.95 million of the same period last year. The increase was due to the increase in rental income from units for lease. Other income - net, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients and other miscellaneous income. Revenue contribution of this account amounted to ₱0.61 million and ₱1.13 million as of March 31, 2023 and 2022, respectively.

On the cost side, cost of real estate sales decreased as this moves in tandem with the sales of real estate properties. Operating expenses increased as a result of higher expenses incurred on taxes and licenses and brokers' commission.

As a result of the foregoing, the Company recorded a net income as of March 31, 2023 of ₱33.18 million as compared to ₱85.61 million as of March 31, 2022. This translated into an annualized earnings per share and return on equity of ₱0.09 and 4.76%, respectively as compared to the same period last year of ₱0.24 and 13.86%, respectively.

Results of Operation (2022 vs. 2021)

Total revenue and income for the year 2022 resulted to ₱1,170.36 million as compared to ₱660.08 million for the year 2021. The increase in the total revenue and income is significantly due to the increase in sales from real estate properties reaching ₱1,058.42 million in 2022 as compared to ₱580.53 million in 2021. In May 2022, the Company completed One Taft Residences which resulted to the following:

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

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

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

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

Results of Operation (2021 vs. 2020)

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

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

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

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

Results of Operation (2020 vs. 2019)

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

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents and short-term investments accounted for 21.88% of total revenues. Likewise, rent income declined by 19.65% in 2020 as compared to the same period last year due to the rent concessions provided to the tenant. Net other income, on the other hand, pertains to penalties for buyers' late payments, sale of scraps, gain on sale of share of stock and net gains or losses on forfeiture/cancellation of sales. Revenue contribution of this account amounted to ₱18.04 million and ₱9.79 million as of December 31, 2020 and December 31, 2019, respectively.

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

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

Key Performance Indicators

	March 31, 2023	2022	2021
Current ratio	**13.41**	17.39	4.97
Asset-to-equity ratio	**1.08**	1.08	1.14
Debt-to-equity ratio	**–**	–	–
Asset-to-liability	**12.77**	13.71	8.01
Solvency ratio*	**0.56**	1.90	0.51
Interest rate coverage ratio	**–**	–	–
Acid - test ratio	**4.22**	5.47	1.36
Return on equity*	**4.76%**	14.97%	7.31%
Return on asset*	**4.39%**	13.88%	6.40%
Net profit margin	**23.39%**	35.22%	26.43%
Basic/Diluted Earnings per share*	**₱0.09**	₱0.27	₱0.12

**Annualized for the period of March 31, 2023.*

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Manner of Calculation:

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

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

The economic recovery seen in 2021 which continued in 2022 improved the Company’s liquidity.

2. Internal and External Sources of Liquidity

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

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

The estimated development cost of ₱45.30 million as of March 31, 2023 representing the cost to complete the development of real estate projects sold will be sourced through:

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

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

On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic. As such, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region (NCR) effective March 15, 2020.

On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020 and further extended to May 15, 2020. After which, modified ECQ was implemented in Metro Manila until May 31, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve. In 2020, the Company observed decline in general business but economic recovery was seen in 2021 and 2022 and is expected in the succeeding periods as a result of the decline in the number of COVID-19 cases and thereby loosening the community quarantines.

Further, the ongoing Russia-Ukraine conflict sets several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Company has no exposure to investments in Ukraine or Russia.

The scale and duration of these developments and events remain uncertain as of March 31, 2023. It is not possible to estimate the overall impact of the outbreak and war's near-term and longer effects. Considering the evolving nature of the pandemic and the war, the Company will continue to closely monitor these situations.

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

There is no significant element of income or loss that did not arise from registrant's continuing operations.

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

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

Hence, no provision was recognized as of December 31, 2022 and 2021.

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

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

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

<u>Financial Condition (March 31, 2023 vs. December 31, 2022)</u>

a. Decrease in Cash and Cash Equivalents was due to shift of placements to short-term investments.
b. Increase in Short-term Investments was shift of placements to short-term investments.
c. Decrease in Installment Contracts Receivable was due to collection of past due accounts.

d. Decrease in Contract Assets was due to collection of receivables from sale of real estate properties.
e. Increase in Real Estate Properties for Sale was substantially due to construction costs incurred on newly launched project, One Hidalgo.
f. Decrease in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decrease in market value of shares of stock.
g. Decrease in Other Receivables was substantially due to collection of advances to customers and condominium corporations and due from related parties.
h. Decrease in Other Current Assets was substantially due to utilization of prepaid expenses. On the other hand, increase in Other Noncurrent Assets was due to the increase in rental deposits as a result of increase in rental income from units lease.
i. Increase in Accounts Payable and Accrued Expenses was substantially due to higher customers' deposits as a result of the collections from sales of real estate properties in the Company's newly launched project, One Hidalgo. As of March 31, 2023, the project has not yet reached its preliminary stage of completion. Thus, all collections from the said sale were recorded as "Customers' deposits".
j. Decrease in Income Tax Payable was due to recognition of prepaid tax for the 1st quarter of 2023.
k. Decrease in Deferred Income Tax Liabilities – net was due to increase in deferred income tax asset from accrued expenses and decrease in deferred income tax liabilities on the difference between the tax basis and book basis of accounting for real estate transactions.
l. Decrease in Unrealized Fair Value of Investments on FVOCI was due to decrease in market value of shares of stock.
m. Increase in Retained Earnings was due to increase in net income recognized for the 1st quarter of 2023.

Financial Condition (2022 vs. 2021)

a. Decrease in Cash and Cash Equivalents was due to shift of placements to short-term investments.
b. Increase in Short-term Investments was due to the shift of funds to short-term investments.
c. Decrease in Installment Contracts Receivable was due to improvement in collection and collection of past due accounts.
d. Increase in Contract Assets was substantially due to higher sales and completion of One Taft Residences.
e. Decrease in Cost to Obtain Contract was due to the completion of One Taft Residences.
f. Increase in Other Receivables was substantially due to higher advances to customers for the real estate property taxes of sold condominium units and expenses relating to the transfer of titles initially paid by the Company. In 2022, the advances to customers significantly increased due to the completion of One Taft Residences.
g. Increase in Real Estate Properties for Sale was due to additional development cost incurred that led to the completion of its newly completed project. In 2022, the Company also reclassified a property from Real Estate Properties Held for Future Development.
h. Increase in Other Current Assets pertains to the reclassification of unused input VAT as a result of the transfer of property from Real Estate Properties for Future Development to Real Estate Properties for Sale.
i. Decrease in Financial Assets at FVOCI was due to decline in fair market value of the shares of stock held by the Company.
j. Decrease in Real Estate Properties Held for Future Development was due to transfer of property to Real Estate Properties for Sale.
k. Increase in Other Noncurrent Assets was due to the guaranty deposit made by the Company to an affiliate relating to the requirement of HLURB.
l. Decrease in Accounts Payable and Accrued Expenses was substantially due to decline in accrued development costs, due to related parties, customers' deposits and withholding taxes payable.
m. Decrease in Contract Liabilities was due to the completion of One Taft Residences.
n. Decrease in Retirement Benefits Liability was due to re-measurement gain recognized during the year thereby increasing Retirement Benefits Assets.
o. Increase in Income Tax Payable was due to higher taxable income brought by the increase in sales as a result of the recovery in the economy.
p. Increase in Deferred Income Tax Liabilities was due to increase in realized gain on sale of real estate transactions and accrued expenses.

q. Decrease in Unrealized Fair Value Changes on Financial Assets at FVOCI was due to decline in the market value of shares of stock.
r. Increase in Retained Earnings was due to net income recognized during the year net of cash dividends declared and distributed.

Financial Condition (2021 vs. 2020)

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

Financial Condition (2020 vs. 2019)

a. Decrease in Cash and Cash Equivalents was due to payment of liabilities and shift of placements to short term investments.
b. Increase in Short-term Investments was due to the shift of funds to short term investments.
c. Increase in Installment Contracts Receivable was due to uncollected past due accounts. Further, the collections of monthly amortizations were also affected due to the impact of COVID-19 pandemic.
d. Net decrease in Contract Assets was due to right to consideration already delivered resulting to increase in billed accounts reflected in the installment contracts receivable.
e. Net decrease in Cost to Obtain Contract was due to the recognition of commission expense relative to the increase in percentage of completion of the ongoing project.
f. Net increase in Other Receivables was due to higher advances to condominium corporations, payment of real estate tax and retention on cash sales.
g. Increase in Real Estate Properties for Sale was due to additional development cost incurred for the ongoing project.
h. Increase in Financial Assets at FVOCI was due to increase in fair market value of the shares of stock held by the Company.
i. Increase in Real Estate Properties Held for Future Development was due to capitalized cost.
j. Decrease in Deferred Income Tax Assets was due to decrease in realized gain on sale of real estate transactions.
k. Increase in Other Assets was due to payment of prepaid real estate tax.

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

Results of Operation (March 31, 2023 vs. March 31, 2022)

a. Decrease in Sales of Real Estate Properties was due to higher sales in the previous period brought by the recovery in the economy, loosening of quarantine restrictions and increase in the percentage of completion of One Taft Residences. As of March 31, 2023, the Company has sales from its newly-launched project but no sale was recognized since it has not yet reached its preliminary stage of completion.
b. Increase in Financial Income was due to higher interest income earned from installment contracts receivable and contract assets.
c. Increase in Rent Income was due to higher rental from units held for lease.
d. Decrease in Other Income – net was due to decrease in income adjustment for repossessed units.
e. Decrease in Cost of Real Estate Sales was due to lower sales recognized as of March 31, 2023.
f. Increase in Operating Expenses was substantially due to higher taxes and licenses, brokers' commission and membership/association dues due to the turnover of One Taft Residences.
g. Increase in Financial Expenses was due to higher finance charges.
h. Decrease in Provision for Income Tax was due to lower taxable income.
i. Decrease in Net Income was due to higher sales in March 31, 2022 brought about by the economic recovery. As of March 31, 2023, the Company did not recognize any gross profit from sales on its ongoing and newly launched project, One Hidalgo.

Results of Operation (2022 vs. 2021)

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

Results of Operation (2021 vs. 2020)

a. Increase in Sales of Real Estate Properties was due to higher sales brought about by the recovery in the economy, loosening of quarantine restrictions and increase in the percentage of completion the One Taft Residences.
b. Decrease in Financial Income was primarily due to lower interest income earned from money market placements.
c. Decrease in Rent Income was due to lower rentals earned from units for lease brought by the rent concession provided to the tenant. .

d. Decrease in Other Income – net was due to decrease in income adjustment for repossessed units and reversal of accrued directors' fees.
e. Increase in Cost of Real Estate Sales was due to higher sales and percentage of completion of One Taft Residences.
f. Increase in Operating Expenses was substantially due to higher percentage of cost allocated to the Company as compared in prior year. The Company has shared expenses with the other companies within the Cityland Group. Other operating expenses such as the personnel costs, brokers' commission and professional fees also increased due to the increase in sales.
g. Decrease in Financial Expenses was due to lower finance charges.
h. Increase in Provision for Income Tax was due to higher taxable income.
i. Increase in Net Income was due to increase in sales of real estate properties and percentage of completion of an on-going project.

<u>Results of Operation (2020 vs. 2019)</u>

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

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MARCH 31, 2023 vs DECEMBER 31, 2022

STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

	March 31, 2023	December 31, 2022	% (March 31, 2023 vs December 31, 2022)
ASSETS			
Current Assets			
Cash and cash equivalents	83,007,286	103,049,854	-19.45%
Short-term investments	538,000,000	399,500,000	34.67%
Current portion of:			
Installment contracts receivable	653,659	4,620,625	-85.85%
Contract assets	53,740,807	126,730,693	-57.59%
Other receivables	15,742,798	20,485,651	-23.15%
Real estate properties for sale	1,498,325,913	1,394,385,073	7.45%
Other current assets	8,315,295	30,547,346	-72.78%
Total Current Assets	2,197,785,758	2,079,319,242	5.70%
Noncurrent Assets			
Contract assets - net of current portion	567,051,567	641,494,291	-11.60%
Other receivables - net of current portion	674,788	599,826	12.50%
Financial asset at FVOCI	518,540	528,610	-1.90%
Investment properties	181,139,332	181,139,332	0.00%
Retirement benefit assets	1,232,592	1,232,592	0.00%
Other noncurrent assets	74,540,162	65,318,529	14.12%
Total Noncurrent Assets	825,156,981	890,313,180	-7.32%
TOTAL ASSETS	3,022,942,739	2,969,632,422	1.80%
LIABILITIES AND EQUITY			
Accounts payable and accrued expenses	158,974,392	106,246,822	49.63%
Income tax payable	4,886,364	13,315,917	-63.30%
Total Current Liabilities	163,860,756	119,562,739	37.05%
Noncurrent Liabilities			
Accounts payable and accrued expenses - net of current portion	57,914,857	77,325,787	-25.10%
Deferred income tax liabilities - net	14,886,795	19,637,281	-24.19%
Total Noncurrent Liabilities	72,801,652	96,963,068	-24.92%
Total Liabilities	236,662,408	216,525,807	9.30%
Equity			
Attributable to Equity Holders of the Parent Company			
Capital Stock - ₱1 par value	1,503,374,202	1,503,374,202	0.00%
Additional paid-in capital	105,136	105,136	0.00%
Unrealized fair value changes on financial assets at fair	422,705	432,775	-2.33%
Accumulated re-measurement loss on defined benefit plan	(3,227,453)	(3,227,453)	0.00%
Retained earnings	1,285,605,741	1,252,421,955	2.65%
Total Equity	2,786,280,331	2,753,106,615	1.20%
TOTAL LIABILITIES AND EQUITY	3,022,942,739	2,969,632,422	1.80%

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MARCH 31, 2023 vs DECEMBER 31, 2022

STATEMENTS OF FINANCIAL POSITION
VERTICAL ANALYSIS

	March 31, 2023	%	December 31, 2022	%
ASSETS				
Current Assets				
Cash and cash equivalents	83,007,286	2.75%	103,049,854	3.47%
Short-term investments	538,000,000	17.80%	399,500,000	13.45%
Current portion of:				
Installment contracts receivable	653,659	0.02%	4,620,625	0.16%
Contract assets	53,740,807	1.78%	126,730,693	4.27%
Other receivables	15,742,798	0.52%	20,485,651	0.69%
Real estate properties for sale	1,498,325,913	49.57%	1,394,385,073	46.95%
Other current assets	8,315,295	0.28%	30,547,346	1.03%
Total Current Assets	2,197,785,758	72.70%	2,079,319,242	70.02%
Noncurrent Assets				
Contract assets - net of current portion	567,051,567	18.76%	641,494,291	21.60%
Other receivables - net of current portion	674,788	0.02%	599,826	0.02%
Financial assets at FVOCI	518,540	0.02%	528,610	0.02%
Investment properties	181,139,332	5.99%	181,139,332	6.10%
Retirement benefit assets	1,232,592	0.04%	1,232,592	0.04%
Other noncurrent assets	74,540,162	2.47%	65,318,529	2.20%
Total Noncurrent Assets	825,156,981	27.30%	890,313,180	29.98%
TOTAL ASSETS	3,022,942,739	100.00%	2,969,632,422	100.00%

LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	158,974,392	5.26%	106,246,822	3.58%
Income tax payable	4,886,364	0.16%	13,315,917	0.45%
Total Current Liabilities	163,860,756	5.42%	119,562,739	4.03%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	57,914,857	1.92%	77,325,787	2.60%
Deferred income tax liabilities - net	14,886,795	0.49%	19,637,281	0.66%
Total Noncurrent Liabilities	72,801,652	2.41%	96,963,068	3.27%
Total Liabilities	236,662,408	7.83%	216,525,807	7.29%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital Stock - ₱1 par value	1,503,374,202	49.73%	1,503,374,202	50.62%
Additional paid-in capital	105,136	0.00%	105,136	0.00%
Unrealized fair value changes on financial assets at fair value through other comprehensive income (FVOCI)	422,705	0.01%	432,775	0.01%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(3,227,453)	-0.11%	(3,227,453)	-0.11%
Retained earnings	1,285,605,741	42.53%	1,252,421,955	42.17%
Total Equity	2,786,280,331	92.17%	2,753,106,615	92.71%
TOTAL LIABILITIES AND EQUITY	3,022,942,739	100.00%	2,969,632,422	100.00%

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MARCH 31, 2023 vs MARCH 31, 2022

STATEMENTS OF INCOME
HORIZONTAL ANALYSIS

	March 31, 2023	March 31, 2022	% (March 31, 2023 vs March 31, 2022)
REVENUE			
Sales of real estate properties	105,723,805	288,224,723	-63.32%
Financial income	33,037,332	18,215,681	81.37%
Rent income	2,519,104	952,635	164.44%
Other income - net	612,683	1,129,894	-45.78%
	141,892,924	308,522,933	-54.01%
COST AND EXPENSES			
Cost of real estate sales	47,540,824	148,158,645	-67.91%
Operating expenses	52,962,557	47,457,355	11.60%
Financial expenses	185,950	45,550	308.23%
	100,689,331	195,661,550	-48.54%
INCOME BEFORE INCOME TAX	41,203,593	112,861,383	-63.49%
PROVISION FOR INCOME TAX	8,019,807	27,256,107	-70.58%
NET INCOME	33,183,786	85,605,276	-61.24%

STATEMENTS OF INCOME
VERTICAL ANALYSIS

	March 31, 2023	%	March 31, 2022	%
REVENUE				
Sales of real estate properties	105,723,805	74.51%	288,224,723	93.42%
Financial income	33,037,332	23.28%	18,215,681	5.90%
Rent income	2,519,104	1.78%	952,635	0.31%
Other income - net	612,683	0.43%	1,129,894	0.37%
	141,892,924	100.00%	308,522,933	100.00%
COST AND EXPENSES				
Cost of real estate sales	47,540,824	33.50%	148,158,645	48.02%
Operating expenses	52,962,557	37.33%	47,457,355	15.38%
Financial expenses	185,950	0.13%	45,550	0.01%
	100,689,331	70.96%	195,661,550	63.42%
INCOME BEFORE INCOME TAX	41,203,593	29.04%	112,861,383	36.58%
PROVISION FOR INCOME TAX	8,019,807	5.65%	27,256,107	8.83%
NET INCOME	33,183,786	23.39%	85,605,276	27.75%

DECEMBER 31, 2022 vs DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

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

DECEMBER 31, 2022 vs DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION
VERTICAL ANALYSIS

	December 31, 2022	%	December 31, 2021	%
ASSETS				
Current Assets				
Cash and cash equivalents	103,049,854	3.47%	211,011,889	7.74%
Short-term investments	399,500,000	13.45%	123,500,000	4.53%
Current portion of:				
Installment contracts receivable	4,620,625	0.16%	5,015,789	0.18%
Contract assets	126,730,693	4.27%	89,529,144	3.29%
Cost to obtain contract	-	0.00%	2,405,624	0.09%
Other receivables	20,485,651	0.69%	4,167,161	0.15%
Real estate properties for sale	1,394,385,073	46.95%	1,150,096,752	42.20%
Other current assets	30,547,346	1.03%	1,160,391	0.04%
Total Current Assets	2,079,319,242	70.02%	1,586,886,750	58.23%
Noncurrent Assets				
Contract assets - net of current portion	641,494,291	21.60%	406,877,189	14.93%
Other receivables - net of current portion	599,826	0.02%	596,160	0.02%
Financial assets at FVOCI	528,610	0.02%	628,746	0.02%
Real estate properties held for future development	-	0.00%	519,992,829	19.08%
Investment properties	181,139,332	6.10%	181,139,332	6.65%
Retirement benefit assets	1,232,592	0.04%	-	0.00%
Other noncurrent assets	65,318,529	2.20%	29,054,649	1.07%
Total Noncurrent Assets	890,313,180	29.98%	1,138,288,905	41.77%
TOTAL ASSETS	2,969,632,422	100.00%	2,725,175,655	100.00%
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	106,246,822	3.58%	254,503,136	9.34%
Contract liabilities - current portion	-	0.00%	57,337,094	2.10%
Income tax payable	13,315,917	0.45%	7,473,040	0.27%
Total Current Liabilities	119,562,739	4.03%	319,313,270	11.72%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	77,325,787	2.60%	15,276,001	0.56%
Retirement benefits liability - net	-	0.00%	975,292	0.04%
Deferred income tax liabilities - net	19,637,281	0.66%	4,593,745	0.17%
Total Noncurrent Liabilities	96,963,068	3.27%	20,845,038	0.76%
Total Liabilities	216,525,807	7.29%	340,158,308	12.48%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital Stock - ₱1 par value	1,503,374,202	50.62%	1,431,785,284	52.54%
Additional paid-in capital	105,136	0.00%	105,136	0.00%
Unrealized fair value changes on financial assets at fair value through other comprehensive income (FVOCI)	432,775	0.01%	532,911	0.02%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	- 3,227,453.00	-0.11%	- 4,551,369.00	-0.17%
Retained earnings	1,252,421,955	42.17%	957,145,385	35.12%
Total Equity	2,753,106,615	92.71%	2,385,017,347	87.52%
TOTAL LIABILITIES AND EQUITY	2,969,632,422	100.00%	2,725,175,655	100.00%

DECEMBER 31, 2022 vs DECEMBER 31, 2021

STATEMENTS OF INCOME
HORIZONTAL ANALYSIS

	December 31, 2022	December 31, 2021	% (December 31, 2022 vs December 31, 2021)	December 31, 2021	December 31, 2020	% (December 31, 2021 vs December 31, 2020)
REVENUE						
Sales of real estate properties	1,058,422,402	580,533,339	82.32%	580,533,339	253,550,492	128.96%
Financial income	96,019,848	66,929,633	43.46%	66,929,633	77,548,066	-13.69%
Rent income	6,084,965	4,269,130	42.53%	4,269,130	5,331,033	-19.92%
Other income - net	9,835,397	8,344,353	17.87%	8,344,353	18,037,980	-53.74%
	1,170,362,612	660,076,455	77.31%	660,076,455	354,467,571	86.22%
COST AND EXPENSES						
Cost of real estate sales	465,129,606	326,304,863	42.54%	326,304,863	152,154,183	114.46%
Operating expenses	164,871,674	110,864,405	48.71%	110,864,405	65,449,700	69.39%
Financial expenses	721,700	157,200	359.10%	157,200	203,550	-22.77%
	630,722,980	437,326,468	44.22%	437,326,468	217,807,433	100.79%
INCOME BEFORE INCOME TAX	539,639,632	222,749,987	142.26%	222,749,987	136,660,138	63.00%
PROVISION FOR INCOME TAX	127,386,207	48,316,078	163.65%	48,316,078	32,106,756	50.49%
NET INCOME	412,253,425	174,433,909	136.34%	174,433,909	104,553,382	66.84%

STATEMENTS OF INCOME
VERTICAL ANALYSIS

	December 31, 2022	%	December 31, 2021	%	December 31, 2020	%
REVENUE						
Sales of real estate properties	1,058,422,402	90.44%	580,533,339	87.95%	253,550,492	71.53%
Financial income	96,019,848	8.20%	66,929,633	10.14%	77,548,066	21.88%
Rent income	6,084,965	0.52%	4,269,130	0.65%	5,331,033	1.50%
Other income - net	9,835,397	0.84%	8,344,353	1.26%	18,037,980	5.09%
	1,170,362,612	100.00%	660,076,455	100.00%	354,467,571	100.00%
COST AND EXPENSES						
Cost of real estate sales	465,129,606	39.74%	326,304,863	49.43%	152,154,183	42.92%
Operating expenses	164,871,674	14.09%	110,864,405	16.80%	65,449,700	18.46%
Financial expenses	721,700	0.06%	157,200	0.02%	203,550	0.06%
	630,722,980	53.89%	437,326,468	66.25%	217,807,433	61.45%
INCOME BEFORE INCOME TAX	539,639,632	46.11%	222,749,987	33.75%	136,660,138	38.55%
PROVISION FOR INCOME TAX	127,386,207	10.88%	48,316,078	7.32%	32,106,756	9.06%
NET INCOME	412,253,425	35.22%	174,433,909	26.43%	104,553,382	29.50%

Information on Independent Auditor

Sycip Gorres Velayo & Co. is the company's external auditor for the years 2022 and 2021. The engagement partner for the said years is Ms. Aileen L. Saringan.

	2022	2021
Audit and audit-related Fees	₱637,000	₱568,500
Tax Fees	–	–
All other fees	–	–
Total	₱637,000	₱568,500

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

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

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

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

DIVIDENDS AND MARKET PRICE OF SHARES OF STOCK

a. Cash Dividends Per Share

2022	₱0.03170
2021	₱0.01392
2020	₱0.02920

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

b. Stock Dividends

The Company declared 5% stock dividends in 2021 while none in 2022 and 2020.

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

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

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

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

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

On July29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock. Further, the SEC resolved to authorize the issuance of 71,589,265 shares with par value of ₱1.00 per share to cover the 5% stock dividends declared by the Board of Directors on April 26, 2021 and ratified by the stockholders representing at least two-thirds

(2/3) of the outstanding capital stock on June 8, 2021 and the issuance of shares of stock to stockholders of record as of August 30, 2022. The said stock dividends were distributed to stockholders on September 23, 2022.

As of December 31, 2022 and 2021, the Company has 1,503,374,202 and 1,431,785,284 shares held by 745 and 746 equity holders, respectively.

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

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

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

d. **Stock Prices**

		High	Low
2023	First Quarter	0.85	0.80
2022	First Quarter	0.90	0.74
	Second Quarter	0.90	0.67
	Third Quarter	1.02	0.66
	Fourth Quarter	0.98	0.69
2021	First Quarter	2.34	0.65
	Second Quarter	3.16	1.35
	Third Quarter	1.92	1.02
	Fourth Quarter	1.18	0.84

e. Trading Market

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

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

f. Price Information on the Latest Practicable Date

The Company’s shares were last traded on May 4, 2023 at ₱0.87 per share.

g. Holders

The number of shareholders of record as of March 31, 2023 was 744.

Top 20 Stockholders of record as of March 31, 2023:

	Name	No. of Shares	%
1.	Cityland Development Corporation	747,632,380	49.73
2.	Cityland, Inc.	444,064,420	29.54
3.	PCD Nominee Corporation – Filipino	138,523,420	9.21
4.	Cityplans, Incorporated.	13,070,153	0.87
5.	Estate of Henry Shao	11,649,081	0.77
6.	Tan, Joyce Liuson or Tan, Philip Sim	11,446,717	0.76

7.	Liuson, Andrew I.	8,079,937	0.54
8.	Credit & Land Holdings, Inc.	7,742,413	0.52
9.	Liuson, Grace C.	7,073,964	0.47
10.	Roxas, Jefferson C.	6,348,705	0.42
11.	PCD Nominee Corporation – Foreign	6,253,309	0.42
12.	Co, Sharon Valerie	6,013,532	0.40
13.	Co, Stephanie Vanessa	6,013,532	0.40
14.	Co, Stephen Vincent	6,013,532	0.40
15.	Lim, Josephine	4,295,379	0.29
16.	Ecclesiastes, Inc.	3,877,041	0.26
17.	Gohoc, Josef C.	3,154,489	0.21
18.	Obadiah, Incorporated	2,634,737	0.18
19.	Jemimah Incorporated	2,482,238	0.17
20.	Haggai Incorporated	2,481,973	0.17

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

There was no sale of any unregistered securities.

The total number of shares issued and outstanding of the Company as of December 31, 2022 is 1,503,374,202 shares.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

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

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

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

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

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

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

2) Any deviation from the company's manual of corporate governance (including a disclosure of the name and position of the persons involved and sanctions imposed on said individual).

   There were no major deviations that require sanctions.

3) Any plan to improve corporate governance of the Company.

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

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

AUDIT & RISK COMMITTEE

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

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

The has an Audit and Risk Committee Charter and being disclosed in the Company's website.

[ACKNOWLEDGEMENT ON THE NEXT PAGE]

ACKNOWLEDGEMENT

On behalf of the Board of Directors, Consultant and Management of City & Land Developers, Incorporated, I would like to express our appreciation to all our stockholders for your trust and confidence.

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

With God's grace, we look forward to a better year in 2023 for the Company and the real estate industry.

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

CITY & LAND
DEVELOPERS, INC.

I hereby certify that the following Directors and Executive Officers of City & Land Developers, Incorporated for the year 2022 are not elected as public servants, nor appointees, nor employees of any government agency.

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

Executive Officers:
1. Rudy Go
2. Melita M. Revuelta
3. Melita L. Tan
4. Romeo E. Ng
5. Rosario D. Perez
6. Winefreda R. Go
7. Dorothy U. So
8. Atty. Andre Anton S. Suarez
9. Jocelyn C. De Asis

Given this 8th day of May 2023.

Certified by:

Atty. Andre Anton S. Suarez
Corporate Secretary

SUBSCRIBED AND SWORN TO before me, a Notary Public for and in City of Makati this 0 8 MAY 2023 affiant exhibiting to me his SSS with ID no. and other competent evidence of identification.

ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT NO. M-068 / MAKATI CITY
UNTIL December 31, 2023

Doc. No. 211;
Page No. 44;
Book No. 261;
Series of 2023.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR E. A. VIRATA**, Filipino, of legal age and a resident of after having been duly sworn to in accordance with law do hereby declare that:

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

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Listed	***Companies***	
Rizal Commercial Banking Corp.	Vice Chairman Director (Non-Executive)	1999-present 1995-present
Lopez Holdings Corporation	Adviser	2021-present
Non-Listed	***Companies***	
ATAR IV Property Holding Co., Inc.	Chairman & Director	2012-present
Malayan Insurance Company, Inc.	Director (Non-Executive)	2004-present
RCBC Bankard Services Corp.	Chairman Director (Non-Executive)	2013-present 2001-present
RCBC Realty Corporation	Director (Non-Executive)	1998-present
Business World Publishing Corp.	Vice Chairman Director	2012-present 1989 present
Malayan Education System, Inc. (Mapua University)	Trustee	1999-present
Cavitex Holdings, Inc.	Director (Non-Executive)	2016-present
Niyog Property Holdings, Inc.	Director (Non-Executive)	2005-present
Luisita Industrial Park Corporation	Vice Chairman Director (Non-Executive)	2012-present 1999-present
RCBC Land, Inc.	Chairman Director (Non-Executive)	1999-present
YGC Corporate Services, Inc.	Director (Non-Executive)	2001-present
ALTO Pacific Company, Inc.	Chairman Director (Non-Executive)	2014-present
AY Foundation, Inc.	Trustee	1997-present
Yuchengco Center	Trustee	1994-present
World Trade Center Management, Inc.	Director (Non-Executive)	1995-present
Tan Yan Kee Foundation, Inc.	Trustee	2008-present
IFI Support Foundation, Inc.	Trustee	1998-present
UP Business Research Foundation, Inc.	Chairman Emeritus	2021-present
Yuchengco Museum	Trustee	2006-present
UCMP Foundation, Inc.	Chairman	2020-present
Cajel Realty Corporation	Director	2020-present
Investment & Capital Corp. of the Phils.	Adviser	
Phil. Dealings System Holding Corp.	Chairman Emeritus	2006-present
Cavite Historical Society, Inc.	Chairman Emeritus	2009-present
Federation for Economic Freedom	Adviser	
UP Engineering Foundation, Inc.	Member	
MAP Agribusiness Foundation, Inc.	Member	
Makati Business Club	Member	
Management Association of the Phils.	Member	1966-present

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

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

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

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

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE		

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

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

IN WITNESS WHEREOF, I have hereunto set my hand on this 23 day of March 2023 at PASIG CITY.

Affiant

SUBSCRIBED AND SWORN to before me this ____ day of APR 24 2023 2023 at PASIG CITY affiant exhibiting to me his Tax Identification No. ____ as competent evidence of identity.

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

Unit 105 Grand Emerald Tower, Ortigas Center, Pasig City

Doc. No. 414;
Page No. 84;
Book No. I;
Series of 2023

CERTIFICATION OF INDEPENDENT DIRECTORS

I, PETER S. DEE, Filipino, of legal age and resident of after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **City & Land Developers, Incorporated** and have been its independent director since November 22, 2009;

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

COMPANY	POSITION	PERIOD OF SERVICE
Alpolac, Inc.	Director	1994 to present
China Banking Corporation	Director	1977 to present
CBC Properties & Computer Center, Inc.	Director / President	1984 to present
Cityland, Inc.	Independent Director Chairman - Corporate Governance Committee Chairman - Audit & Risk Committee	December 2006 to present July 2018 to present January 2007 to present
Cityland Development Corporation	Independent Director Chairman – Audit & Risk Committee	October 1979 to present 2002 to present
GDSK Development Corporation	Director	1990 to present
Makati Curbs Holdings Corporation	Director	2012 to present
Great Expectation Holdings, Inc.	Director/Chairman/President	October 2012 to present
Commonwealth Foods, Inc.	Director	May 2013 to present
The Big D Holdings Corporation	Director/Chairman/President	April 2013 to present

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

4. I am not related to any director/officer/substantial shareholder of **City & Land Developers Incorporated** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;

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

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

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

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

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

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

Done this day of APR 24 2023 at PASIG CITY.

Peter S. Dee
Affiant

SUBSCRIBED AND SWORN to before me this APR 24 2023 at PASIG CITY, affiant personally appeared before me and exhibited to me his SSS ID with no. and other competent evidence of identification.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN AND MUNICIPALITY OF PATEROS
Unit 105 Grand Emerald Tower, Ortigas Center, Pasig City

Doc no. 415;
Page no. 84;
Book no. I;
Series of 2023.

CITY & LAND DEVELOPERS, INC.

CERTIFICATION

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

1. That on behalf of City & Land Developers, Incorporated, I have caused this SEC Form 20-IS (Definitive Information Statement);

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

3. That City & Land Developers, Incorporated will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail;

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this MAY 19 2023 day of May 2023.

Josef C. Gohoc
Affiant

SUBSCRIBE AND SWORN to before me this day MAY 19 2023 at PASIG CITY, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2024

Doc. No. 121
Page No. 26
Book No. II
Series of 2023.

Unit 105 Grand Emerald Tower, Ortigas Center, Pasig City

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

SEC Registration Number

1	5	2	6	6	1					

C O M P A N Y   N A M E

CITY & LAND DEVELOPERS, INCORPORATED

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	MSRD	N/A

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

Company's Email Address	Company's Telephone Number	Mobile Number
cldi_rg@cityland.net	8-893-6060	0968-545-1452

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
745 (as of December 31, 2022)	2nd Tuesday of June	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	cdc_rg@cityland.net	8-893-6060	0968-545-1452

CONTACT PERSON'S ADDRESS

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

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

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

The following document has been received:

Receiving: ARVIN BANAWA
Receipt Date and Time: April 17, 2023 10:15:44 AM

Company Information

SEC Registration No.: 0000152661
Company Name: CITY & LAND DEVELOPERS INC.
Industry Classification: K70120
Company Type: Stock Corporation

Document Information

Document ID: OST10417202381015723
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2022
Submission Type: Annual
Remarks: None

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

CITYLAND.NET Mail **Rudy Go <cldi_rg@cityland.net>**

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Sat, Apr 15, 2023 at 5:55 PM
To: CLDI_RG@cityland.net
Cc: CLDI_RG@cityland.net

Hi CITY & LAND DEVELOPERS, INCORPORATED,

Valid files

- EAFS000444840AFSTY122022.pdf
- EAFS000444840TCRTY122022-02.pdf
- EAFS000444840TCRTY122022-01.pdf
- EAFS000444840RPTTY122022.pdf
- EAFS000444840ITRTY122022.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PSRVP1VX033RRVZ3VNQPYZNT30N314SRWX**
Submission Date/Time: **Apr 15, 2023 05:55 PM**
Company TIN: **000-444-840**

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

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

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

CITY & LAND DEVELOPERS, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **City & Land Developers, Incorporated** (the Company) is responsible for the preparation and fair presentation of the balance sheets as at December 31, 2022 and 2021, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies and the schedules attached therein, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

CESAR E.A. VIRATA
Chairman of the Board

JOSEF C. GOHOC
President / Chief Executive Officer

RUDY GO
Senior Vice President / Chief Financial Officer

Signed this 29th day of March 2023.

SUBSCRIBED AND SWORN to before me this day of MAR 29 2023 MANILA affiant(s) exhibiting to me their Tax Identification Number and Social Security System Numbers, as follows:

Name	Number
Cesar E.A. Virata	TIN
Josef C. Gohoc	SSS No.
Rudy Go	SSS No.

ATTY. ALBERT ANTHONY H. OCAMPO
NOTARY PUBLIC FOR MANILA
UNTIL DECEMBER 31, 2023

Doc No. 362
Page No. 74
Book No. III
Series of 2023.

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of City & Land Developers, Incorporated (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 are prepared in all respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the financial statements which indicates that the financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2022 financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Company's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress in determining real estate revenue; (4) determination of the actual costs incurred as cost of sales; and (5) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Company considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition. In determining the transaction price, the Company considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

In measuring the progress of its performance obligation over time, the Company uses input method. Under this method, progress is measured based on actual costs incurred on materials, labor, and actual overhead relative to the total estimated development costs of the real estate project. The Company uses the cost accumulated by the accounting department to determine the actual costs incurred. The estimation of the total costs of the real estate project requires technical inputs by project engineers.

In determining the actual costs incurred to be recognized as cost of sales, the Company estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Company identifies sales commission after contract inception as a cost of obtaining contracts. For contracts which qualified for revenue recognition, the Company capitalizes the total sales commission due to sales agent as cost to obtain contracts and recognizes the related commission payable. The Company uses percentage of completion (POC) method in amortizing sales commission consistent with the Company's revenue recognition policy.

The disclosures related to the real estate revenue are included in Notes 2, 3 and 5 to the financial statements.

Audit Response

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

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents, such as history of payments, contracts to sell of sold units, and schedule of forfeited units.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the input method in determining real estate revenue and for determining cost of sales, we obtained an understanding of the Company's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For all projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents, such as accomplishment reports, contracts, and progress billings. We visited all project sites and made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period, with project engineers. We performed test computation of the percentage of completion calculation of management. For all projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details, such as accomplishment and estimated development cost reports. We likewise performed inquiries with the project engineers for the revisions.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A or Annual Report for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A or Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of City & Land Developers, Incorporated. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Aileen L. Saringan.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan
Partner
CPA Certificate No. 72557
Tax Identification No. 102-089-397
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 72557-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564694, January 3, 2023, Makati City

March 29, 2023

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱103,049,854**	₱211,011,889
Short-term investments (Note 4)	**399,500,000**	123,500,000
Current portion of:		
Installment contracts receivable (Note 5)	**4,620,625**	5,015,789
Contract assets (Note 5)	**126,730,693**	89,529,144
Cost to obtain contracts (Note 5)	**–**	2,405,624
Other receivables (Note 6)	**20,485,651**	4,167,161
Real estate properties for sale (Note 8)	**1,394,385,073**	1,150,096,752
Other current assets (Note 10)	**30,547,346**	1,160,391
Total Current Assets	**2,079,319,242**	1,586,886,750
Noncurrent Assets		
Contract assets - net of current portion (Note 5)	**641,494,291**	406,877,189
Other receivables - net of current portion (Note 6)	**599,826**	596,160
Financial assets at fair value through other comprehensive income (FVOCI) (Note 7)	**528,610**	628,746
Real estate properties held for future development (Note 8)	**–**	519,992,829
Investment properties (Note 9)	**181,139,332**	181,139,332
Retirement benefit assets (Note 19)	**1,232,592**	–
Other noncurrent assets (Note 10)	**65,318,529**	29,054,649
Total Noncurrent Assets	**890,313,180**	1,138,288,905
TOTAL ASSETS	**₱2,969,632,422**	₱2,725,175,655
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 11)	**₱106,246,822**	₱254,503,136
Contract liabilities (Note 5)	**–**	57,337,094
Income tax payable	**13,315,917**	7,473,040
Total Current Liabilities	**119,562,739**	319,313,270
Noncurrent Liabilities		
Accounts payable and accrued expenses - noncurrent portion (Note 11)	**77,325,787**	15,276,001
Retirement benefits liability (Note 19)	**–**	975,292
Deferred income tax liabilities - net (Note 20)	**19,637,281**	4,593,745
Total Noncurrent Liabilities	**96,963,068**	20,845,038
Total Liabilities	**216,525,807**	340,158,308
Equity		
Capital stock - ₱1.00 par value (Notes 13 and 23)		
Authorized - 1,715,000,000 shares in 2022 and 1,435,000,000 shares in 2021		
Issued - 1,503,374,202 shares held by 745 equity holders and 1,431,785,284 shares held by 746 equity holders as of December 31, 2022 and 2021, respectively	**1,503,374,202**	1,431,785,284
Additional paid-in capital	**105,136**	105,136
Unrealized fair value changes on financial assets at FVOCI (Note 7)	**432,775**	532,911
Accumulated re-measurement loss on defined benefit plans - net of deferred income tax effect (Note 19)	**(3,227,453)**	(4,551,369)
Retained earnings	**1,252,421,955**	957,145,385
Total Equity	**2,753,106,615**	2,385,017,347
TOTAL LIABILITIES AND EQUITY	**₱2,969,632,422**	₱2,725,175,655

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE AND INCOME			
Sales of real estate properties (Note 5)	**₱1,058,422,402**	₱580,533,339	₱253,550,492
Financial income (Note 16)	**96,019,848**	66,929,633	77,548,066
Rent income (Note 9)	**6,084,965**	4,269,130	5,331,033
Other income - net (Note 18)	**9,835,397**	8,344,353	18,037,980
	1,170,362,612	660,076,455	354,467,571
COSTS AND EXPENSES			
Costs of real estate sales (Note 8)	**465,129,606**	326,304,863	152,154,183
Operating expenses (Note 14)	**164,871,674**	110,864,405	65,449,700
Financial expenses (Note 17)	**721,700**	157,200	203,550
	630,722,980	437,326,468	217,807,433
INCOME BEFORE INCOME TAX	**539,639,632**	222,749,987	136,660,138
PROVISION FOR INCOME TAX (Note 20)	**127,386,207**	48,316,078	32,106,756
NET INCOME	**₱412,253,425**	₱174,433,909	₱104,553,382
BASIC/DILUTED EARNINGS PER SHARE (Note 24)	**₱0.27**	₱0.12	₱0.07

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
NET INCOME	**₱412,253,425**	₱174,433,909	₱104,553,382
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at fair value through other comprehensive income (loss) (Note 7)	**(100,136)**	134,448	6,386
Remeasurement gain on defined benefit plan - net of income tax effect (Notes 19 and 20)	**1,323,916**	1,786,299	2,960,605
	1,223,780	1,920,747	2,966,991
TOTAL COMPREHENSIVE INCOME	**₱413,477,205**	₱176,354,656	₱107,520,373

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Capital Stock (Note 13)	Additional Paid-in Capital	Unrealized Fair Value Changes of Financial Assets at FVOCI (Note 7)	Accumulated Re-measurement on Defined Benefit Plan - Net of Deferred Income Tax Effect (Note 19)	Retained Earnings (Note 13)	Total
BALANCES AT DECEMBER 31, 2019	**₱1,431,785,284**	**₱105,136**	**₱392,077**	**(₱9,298,273)**	**₱739,692,044**	**₱2,162,676,268**
Net income	–	–	–	–	104,553,382	104,553,382
Other comprehensive income	–	–	6,386	2,960,605	–	2,966,991
Total comprehensive income	–	–	6,386	2,960,605	104,553,382	107,520,373
Cash dividends - ₱0.0292 per share	–	–	–	–	(41,808,126)	(41,808,126)
BALANCES AT DECEMBER 31, 2020	**₱1,431,785,284**	**₱105,136**	**₱398,463**	**(₱6,337,668)**	**₱802,437,300**	**₱2,228,388,515**
BALANCES AT DECEMBER 31, 2020	**₱1,431,785,284**	**₱105,136**	**₱398,463**	**(₱6,337,668)**	**₱802,437,300**	**₱2,228,388,515**
Net income	–	–	–	–	174,433,909	174,433,909
Other comprehensive income	–	–	134,448	1,786,299	–	1,920,747
Total comprehensive income	–	–	134,448	1,786,299	174,433,909	176,354,656
Cash dividends - ₱0.01392 per share	–	–	–	–	(19,725,824)	(19,725,824)
BALANCES AT DECEMBER 31, 2021	**₱1,431,785,284**	**₱105,136**	**₱532,911**	**(₱4,551,369)**	**₱957,145,385**	**₱2,385,017,347**
BALANCES AT DECEMBER 31, 2021	**₱1,431,785,284**	**₱105,136**	**₱532,911**	**(₱4,551,369)**	**₱957,145,385**	**₱2,385,017,347**
Net income	–	–	–	–	412,253,425	412,253,425
Other comprehensive income (loss)	–	–	(100,136)	1,323,916	–	1,223,780
Total comprehensive income (loss)	–	–	(100,136)	1,323,916	412,253,425	413,477,205
Cash dividends - ₱0.0317 per share	–	–	–	–	(45,387,590)	(45,387,590)
Stock dividends - 5% distributed in 2022	71,588,918	–	–	–	(71,588,918)	–
Fractional shares of stock dividends	–	–	–	–	(347)	(347)
BALANCES AT DECEMBER 31, 2022	**₱1,503,374,202**	**₱105,136**	**₱432,775**	**(₱3,227,453)**	**₱1,252,421,955**	**₱2,753,106,615**

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱539,639,632**	₱222,749,987	₱136,660,138
Adjustments for:			
Interest income (Note 16)	**(96,008,470)**	(66,918,302)	(77,537,701)
Retirement benefits cost (Note 19)	**1,416,191**	1,869,692	2,445,589
Dividend income (Note 16)	**(11,378)**	(11,331)	(10,365)
Operating income before working capital changes	**445,035,975**	157,690,046	61,557,661
Decrease (increase) in:			
Installment contracts receivable	**395,164**	(3,249,896)	(1,058,384)
Contract assets	**(271,818,651)**	(88,206,934)	59,876,606
Cost to obtain contracts	**2,405,624**	4,125,152	1,663,837
Other receivables	**(13,568,881)**	(876,474)	(770,552)
Real estate properties for sale	**276,077,250**	(11,669,085)	(132,567,138)
Real estate properties held for future development	**(372,742)**	(25,635,897)	(2,547,375)
Other assets	**(65,650,835)**	2,573,274	(858,128)
Increase (decrease) in:			
Accounts payable and accrued expenses	**(86,432,385)**	126,623,107	6,200,569
Contract liabilities	**(57,337,094)**	(68,010,219)	(6,657,263)
Cash generated from (used in) operations	**228,733,425**	93,363,074	(15,160,167)
Income taxes paid, including creditable and final withholding taxes	**(106,941,099)**	(40,900,255)	(29,532,766)
Interest received	**93,255,195**	66,654,268	77,801,344
Contributions to the plan (Note 19)	**(1,858,854)**	(1,858,854)	(2,580,855)
Net cash flows from operating activities	**213,188,667**	117,258,233	30,527,556
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of short-term investments (Note 4)	**(276,000,000)**	(65,000,000)	(48,500,000)
Dividends received	**11,378**	11,331	10,365
Net cash flows used in investing activities	**(275,988,622)**	(64,988,669)	(48,489,635)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividends paid (Notes 11 and 13)	**(45,162,080)**	(19,567,213)	(41,388,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(107,962,035)**	32,702,351	(59,350,711)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	**211,011,889**	178,309,538	237,660,249
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱103,049,854**	₱211,011,889	₱178,309,538

See accompanying Notes to Financial Statements

CITY & LAND DEVELOPERS, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

The financial statements of the Company as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were authorized for issuance by the Board of Directors (BOD) on March 29, 2023.

2. Summary of Significant Accounting and Financial Reporting Policies

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

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

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

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

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

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

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

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective on January 1, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PFRS 3, *Business Combinations*, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments did not significantly affect the Company's financial statements.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments do not have a material impact on the Company.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments did not affect the Company's financial statements.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments do not have a material impact on the Company.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments do not have a material impact on the Company.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments did not significantly affect the Company's financial statements.

Current versus Noncurrent Classification
The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition, and are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are investments with maturities of more than three months but not exceeding one year from dates of acquisition.

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

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

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

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

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

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

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

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

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

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

a. Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and fair value through profit or loss.

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

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

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

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

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

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

- Financial assets at fair value through profit or loss

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

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

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

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

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

Financial assets at FVOCI (debt instruments)
The Company measures debt instruments at FVOCI if both of the following conditions are met:
(a) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and sell the financial asset; and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Company has no debt instruments at FVOCI.

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

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

The Company elected to classify irrevocably its listed equity investments under this category (Note 7).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets

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

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

The Company has no financial assets at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company's financial liabilities include accounts payable and accrued expenses.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

Upon commencement of development, the real estate properties held for future development is transferred to real estate properties for sale.

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

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

Subsequent to initial measurement, investment properties, except land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

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

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

Transfers between investment properties and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any excess of progress of work over the right to an amount of consideration is recognized as installment contract receivables (unconditional) or contract asset (conditional) in the asset section of the statement of financial position.

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

Cost recognition
The Company recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Operating Expenses
Operating expenses constitute costs of administering the business. These costs are expensed as incurred.

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

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

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

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

Retirement benefits cost comprises the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

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

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.
Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the statement of comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are earned by the employees. The undiscounted liability for leave expected to be settled within 12 months after the end of the reporting period is recognized for services rendered by employees up to the end of the reporting period. Accumulating leave credits which can be utilized anytime when needed or converted to cash upon employee separation (i.e., resignation or retirement) are presented at its discounted amount as "Accounts payable and accrued expenses - noncurrent portion" account in the statement of financial position.

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

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

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

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

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

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

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

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

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

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

Other Comprehensive Income
Other comprehensive income comprises items of income and expense that are not recognized in the statement of income in accordance with PFRSs. Other comprehensive income of the Company includes gains and losses on fair value changes of financial assets/available-for-sale financial assets, re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability).

Earnings Per Share
Basic earnings per share is computed by dividing the net income for the year by the weighted average number of ordinary shares issued and outstanding after considering the retrospective effect, if any, of stock dividends declared during the year.

Diluted earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares, and adjusted for the effects of all dilutive potential common shares, if any. In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retrospectively.

Segment Reporting
The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 25 in the financial statements. The Company's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2023

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

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

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

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates, and Errors, Definition of Accounting Estimates*

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

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

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

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

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

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2024

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

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

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company has no existing loan agreements as of December 31, 2022 and 2021.

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

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

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

  As of December 31, 2022 and 2021, the Company has no sale and leaseback transactions.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

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

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

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

As of December 31, 2022 and 2021, the Company has no insurance contracts.

Deferred effectivity

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

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

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

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

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

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

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

c. Identifying performance obligation
The Company has various contracts to sell covering its sale of condominium units and other real estate properties. The Company concluded that there is one performance obligation in each of these contracts. For the contract covering condominium unit, the developer has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. For the sale of real estate properties such as raw land, the Company integrates certain activities to the said property to be able to deliver the property based on the contract with the customer. Included also in this performance obligation is the Company's service to transfer the title of the real estate unit to the customer.

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

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

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

are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment properties.

Distinction between real estate properties for sale and held for future development
The Company determines whether a property will be classified as real estate properties for sale or held for future development. In making this judgment, the Company considers whether the property will be sold in the normal operating cycle (real estate properties for sale) or whether it will be retained as part of the Company's strategic land banking activities for development or sale in the medium or long-term (real estate properties held for future development).

Determination of impairment indicators on investment properties
The Company determines whether its nonfinancial assets such as investment properties are impaired when impairment indicators exist such as significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. When an impairment indicator is noted, the Company makes an estimation of the value-in-use of the cash-generating units to which the assets belong. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. No impairment indicator was noted as of December 31, 2022 and 2021.

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

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

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

Revenue recognition method and measure of progress
The measurement of progress for revenue recognition requires management to make use of estimates and assumptions. The Company's real estate sales is based on the POC method measured principally on the basis of total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total estimated development cost of the project. Estimated development costs of the project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. The estimated development cost is prepared by the Company's project engineers and are independently reviewed by the Company's third-party independent project engineers. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories. Sales of real estate properties amounted to ₱1,058.42 million, ₱580.53 million and ₱253.55 million in 2022, 2021 and 2020, respectively (see Note 5). Costs of real

estate sales amounted to ₱465.13 million, ₱326.30 million and ₱152.15 million in 2022, 2021 and 2020, respectively (see Note 8).

Estimation of POC of real estate projects
The Company estimates the POC of ongoing projects for purposes of accounting for the estimated costs of development as well as revenue to be recognized. Actual costs of development could differ from these estimates. Such estimates will be adjusted accordingly when the effects become reasonably determinable. The POC is based on the technical evaluation of the independent project engineers as well as management's monitoring of the costs, progress and improvements of the projects. Sales of real estate properties amounted to ₱1,058.42 million, ₱580.53 million and ₱253.55 million in 2022, 2021 and 2020, respectively (see Note 5). Costs of real estate sales amounted to ₱465.13 million, ₱326.30 million and ₱152.15 million in 2022, 2021 and 2020, respectively (see Note 8).

Provision for expected credit losses of installment contract receivables and contract assets
The Company uses a provision matrix to calculate ECLs for installment contract receivables and contract assets. The provision rates are based on past collection history and other factors, which include, but are not limited to the length of the Company's relationship with the customer, the customer's payment behavior, known market factors that affect the collectability of the accounts.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as the inflation rate, gross domestic product, interest rate and unemployment rate. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions such as inflation rate, gross domestic product, interest rate and unemployment rate and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of buyer's actual default in the future. The information about the ECLs on the Company's installment contract receivables and contract assets is disclosed in Note 22. As of December 31, 2022 and 2021, installment contracts receivable, contract assets and other receivables aggregated to ₱795.01 million and ₱506.19 million, respectively. There was no provision for ECL on receivables in 2022 and 2021 (see Notes 5 and 6).

Determination of net realizable value of real estate properties for sale and held for future development
The Company's estimates of the net realizable value of real estate properties for sale and held for future development are based on the most reliable evidence available at the time the estimates are made, or the amount that the real estate properties for sale and held for future development are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made of net realizable value in each subsequent period. When the circumstances that previously caused the real estate properties for sale and held for future development to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. The Company's real estate properties for sale amounted to ₱1,394.39 million and ₱1,150.10 million as of December 31, 2022 and 2021, respectively (see Note 8). Real estate properties held for future development amounted to nil and ₱519.99 million as of December 31, 2022 and 2021, respectively (see Note 8).

Determination of the fair value of investment properties
The Company discloses the fair values of its investment properties in accordance with PAS 40, *Investment Property*. The Company engaged SEC-accredited independent valuation specialists to determine the fair value as of December 31, 2022 and 2021. The Company's investment properties consist of land and building pertaining to commercial properties. These are valued by reference to sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use. Another method used in determining the fair value of land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others. The fair value of investment properties as of December 31, 2022 and 2021 amounted to ₱1,575.42 million and ₱1,419.30 million, respectively (see Notes 9 and 22). The carrying value of the investment properties as of December 31, 2022 and 2021 amounted to ₱181.14 million (see Note 9).

Estimation of retirement benefits cost
The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the PH BVAL Reference Rates at various tenors, rates for intermediate durations were interpolated and the rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate.

The mortality rate is based on publicly available mortality table in the Philippines. Future salary increases are based on expected future inflation rates. Further details about assumptions used are given in Note 19.

Net retirement benefits costs amounted to ₱1.42 million, ₱1.87 million and ₱2.45 million in 2022, 2021 and 2020, respectively. Retirement benefits asset (liability) amounted to ₱1.23 million and (₱0.98 million) as of December 31, 2022 and 2021, respectively (see Note 19).

Recognition of deferred income tax assets
The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

As of December 31, 2022 and 2021, deferred income tax asset amounted to ₱7.74 million and ₱5.70 million, respectively (see Note 20).

4. Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents consist of:

	2022	2021
Cash on hand and in banks	**₱20,581,738**	₱11,011,889
Cash equivalents	**82,468,116**	200,000,000
	₱103,049,854	₱211,011,889

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

Short-term investments consist of:

	2022	2021
Short-term cash investments	**₱385,500,000**	₱33,000,000
Short-term bond investments	**14,000,000**	90,500,000
	₱399,500,000	₱123,500,000

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

Interest income earned from cash in banks, cash equivalents and short-term investments amounted to ₱13.44 million, ₱4.21 million and ₱7.41 million in 2022, 2021 and 2020, respectively (see Note 16).

5. Revenue from Contracts with Customers

a. *Disaggregated Revenue Information*

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

Type of Product	**2022**	2021	2020
High-rise condominium units	**₱1,032,315,259**	₱554,293,451	₱239,490,023
Parking slots and others	**26,107,143**	26,239,888	14,060,469
Total	**₱1,058,422,402**	₱580,533,339	₱253,550,492

Real estate sales of the Company pertain to sale of properties within Metro Manila for the years ended December 31, 2022, 2021 and 2020. All of the Company's real estate sales are revenue from contracts with customers recognized over time. In 2022, 2021 and 2020, sales for real estate properties arose from contracts with external buyers. There were no intercompany sales/transactions made on the said years.

Contract Balances

	2022	2021
Installment contracts receivable	**₱4,620,625**	₱5,015,789
Contract asset		
Current	**126,730,693**	89,529,144
Noncurrent	**641,494,291**	406,877,189
Contract liabilities		
Current	–	57,337,094

Installment contracts receivable arise from sales of real estate properties and are collectible in monthly installments for periods ranging from one (1) to ten (10) years which bears monthly interest rates of 0.92% to 1.50% in 2022 and 2021.

The Company, CI, and CDC entered into a contract of guaranty under Retail Guaranty Line with Philippine Guaranty Corporation (PHILGUARANTEE). The amount of installment contracts receivable enrolled and renewed by the Company amounted to ₱307.00 million and ₱232.00 million in 2022 and 2021, respectively. The Company paid a guaranty premium of 1.00% based on the outstanding principal balances of the receivables enrolled (see Note 14).

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

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

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

Interest income earned from installment contracts receivable and contract assets amounted to ₱80.82 million, ₱62.71 million and ₱70.13 million in 2022, 2021 and 2020, respectively (see Note 16).

Contract liabilities amounting to nil and ₱57.34 million as of December 31, 2022 and 2021, respectively, refer to excess of collections over the goods and services transferred by the Company based on POC. Revenue included in the contract liability is recognized based on the movement of the POC. Contract liabilities amounting to ₱57.34 million and ₱93.89 million were recognized as revenue in 2022 and 2021, respectively.

Movements in contract liabilities in 2022 and 2021 were recognized as income based on the POC of the ongoing projects.

No provision for ECL was recorded for the Company's installment contract receivables and contract assets in 2022, 2021 and 2020 (see Note 22).

b. *Performance obligations*

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

Real estate sales
The Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the customer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

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

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the buyer. The financing scheme would include down payment of generally 5% to 10% of the contract price with the remaining balance payable through in-house financing which ranges from one (1) month to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the buyer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

In order to cope with the current trend in the real estate industry, the Company offered to customers the "installment down payment" scheme starting 2020 wherein certain projects were offered with 18 to 24 months to pay the corresponding down payment. The new scheme introduced by the Company resulted to sales with percentage of collection lower than 10%. The Company records these collections as "Customers' deposits" under "Accounts payable and accrued expenses" account in the statement of financial position.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2022 and 2021 amounted to nil and ₱109.32 million within one year, respectively. The Company has completed its One Taft Residences project last May 2022.

As of December 31, 2022, there is no remaining performance obligations expected to be recognized within one year and in more than one year since the Company's real estate projects are already completed. The Company's condominium units are generally completed within three to five years from start of construction.

c. *Cost to obtain contracts*

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

	2022	2021
Balances at beginning of year	**₱2,405,624**	₱6,530,776
Additions	**8,112,196**	8,208,378
Amortization	**(10,517,820)**	(12,333,530)
Balances at end of year - current portion	**₱–**	₱2,405,624

6. Other Receivables

Other receivables consist of:

	2022	2021
Advances to customers	**₱13,324,992**	₱941,495
Accrued interest (Note 21)	**3,317,357**	564,082
Advances to condominium corporations	**3,315,361**	2,089,888
Due from related parties (Note 21)	**848,018**	–
Rent receivable	**133,347**	222,436
Retention (Note 21)	**10,000**	939,999
Others	**136,402**	5,421
	21,085,477	4,763,321
Less noncurrent portion	**599,826**	596,160
Current portion	**₱20,485,651**	₱4,167,161

Advances to customers are receivables of the Company for the real estate property taxes of sold condominium units and expenses relating to the transfer of titles initially paid by the Company. In 2022, the advances to customers significantly increased due to the completion of One Taft Residences. Accrued interest pertains to interest income earned as of December 31 but not yet received by the Company. Advances to condominium corporations pertain to disbursements that are collectible from condominium corporations. Retention pertains to the amount held on cash sale of real estate properties. Due from related parties pertains to the amount of receivables to be collected from related parties where one party can exercise control or significant influence over another party. Rent receivable arose from the investment properties rented-out under non-cancellable long-term operating lease contracts (see Note 9). Other receivables include other expenses initially paid by the Company on behalf of the customers and employees' advances. No provision for ECL was recorded for the Company's other receivables in 2022, 2021 and 2020 (see Note 22).

7. Financial Assets at FVOCI

Financial assets at FVOCI consist of investments in quoted equity securities amounting to ₱0.53 million and ₱0.63 million as of December 31, 2022 and 2021, respectively, in which the fair values were determined based on published prices in the active market.

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

	2022	2021
Balances at beginning of year	**₱532,911**	₱398,463
Changes in fair value	**(100,136)**	134,448
Balances at end of year	**₱432,775**	₱532,911

8. Real Estate Properties for Sale and Real Estate Properties Held for Future Development

Real estate properties for sale

Real estate properties for sale consists of costs incurred in the development of condominium units and residential houses for sale.

The movements in real estate properties for sale are as follows:

	2022	2021
Balances at beginning of year	**₱1,150,096,752**	₱1,138,427,667
Construction/development costs incurred	**174,075,708**	314,275,770
Costs of real estate sales	**(465,129,606)**	(326,304,863)
Transfer from real estate properties for future development	**520,365,571**	–
Other adjustments - net	**14,976,648**	23,698,178
Balances at end of year	**₱1,394,385,073**	₱1,150,096,752

Real estate properties for sale account includes capitalized borrowing costs incurred during each year in connection with the development of the properties (see Notes 12 and 17). No interest was capitalized in 2022, 2021 and 2020.

Other adjustments - net include realized deemed cost adjustment and the recognition of repossessed real estate properties measured at fair value less cost to sell at the date of repossession.

Real estate properties held for future development
Real estate properties held for future development include land properties reserved by the Company for its future condominium projects.

Movements in real estate properties held for future development are as follows:

	2022	2021
Balances at beginning of year	**₱519,992,829**	₱494,356,932
Additions	**372,742**	25,635,897
Transfer to real estate properties for sale	**(520,365,571)**	–
Balances at end of year	**₱–**	₱519,992,829

9. Investment Properties

Investment properties as of December 31, 2022 and 2021 represent the real estate properties for lease which consist of:

Land - at cost	
Balances at beginning and end of year	₱181,139,332
Building - at cost	
Cost	
Balances at beginning and end of year	814,458
Accumulated depreciation	
Balances at beginning and end of year	(814,458)
Net book value	–
Total net book value	₱181,139,332

The net book value of land includes net deemed cost adjustment amounting to ₱12.67 million as of December 31, 2022 and 2021, respectively. The deemed cost adjustment arose when the Company transitioned to PFRSs in 2005.

Based on the appraisal reports by SEC-accredited and independent firms of appraisers using market data and sales comparison approach at various dates in 2022 and 2021, appraised values of these investment properties amounted to ₱1,575.42 million and ₱1,419.30 million as of dates of appraisal in 2022 and 2021, respectively (see Note 22).

Rental agreements
The Company entered into lease agreements for its office spaces and condominium units for lease with the following identified performance obligations: (a) lease of space; and (b) provisioning of water and electricity. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to issue post-dated check on the monthly rental payments. In case of delay in payments, a penalty of about 4% per annum is charged for the amount due for the duration of delay. The lease arrangement for the Company's long-term lease transactions would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

Rent income from investment properties amounted to ₱6.08 million, ₱4.27 million and ₱5.33 million in 2022, 2021 and 2020, respectively.

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

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

In 2021, the Company granted lease concessions to its lessee resulting to modifications in the lease contract. The Company accounted the modification to operating lease as a new lease from the effective date of modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. No lease concessions were provided in 2022.

The direct operating expenses on investment properties pertaining to depreciation, real estate taxes and other expenses amounted to ₱5.29 million, ₱1.15 million and ₱0.58 million in 2022, 2021 and 2020, respectively (see Note 14).

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

	2022	2021
Not later than one year	**₱526,849**	₱2,057,222
Later than one year and not later than five years	–	1,053,698
	₱526,849	₱3,110,920

10. **Other Assets**

Other current assets consist of prepaid expenses, input VAT and advances to contractors amounting to ₱30.55 million and ₱1.16 million as of December 31, 2022 and 2021, respectively.

Other noncurrent assets consist of:

	2022	2021
Guaranty deposit (Note 21)	**₱62,999,438**	₱–
Utility deposits	**1,355,649**	1,343,493
Rental deposit and others	**963,442**	925,442
Unused input VAT	–	26,785,714
	₱65,318,529	₱29,054,649

Guaranty deposit pertains to placement made by Credit & Land Holdings, Inc., an affiliate of the Company, in favor of the Housing and Land Use Regulatory Board (HLURB) wherein the Company is required to secure a cash bond in relation to the construction and development of its ongoing project (see Note 21). Interest income earned from guaranty deposits amounted to ₱1.75 million in 2022 (nil in 2021 and 2020) (see Notes 16 and 21).

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

The unused input VAT in 2021 arose from the parcel of land purchased in previous years which was presented as part of "Real estate properties held for future development" account. In 2022, the said property was reclassified to "Real estate properties for sale" account and the related unused input VAT amounting to ₱26.79 million is expected to be utilized within twelve months from the reporting date (see Note 8).

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	2022	2021
Trade payables	**₱81,769,226**	₱26,661,140
Accrued expenses:		
Development costs	**61,816,511**	189,014,832
Sick leave (Note 19)	**7,306,527**	8,697,941
Directors' fee (Note 21)	**16,236,714**	4,848,371
Customers' deposits (Note 5)	**5,694,407**	10,657,900
Withholding taxes payable	**5,004,530**	6,381,041
Dividends payable	**3,501,184**	3,275,327
Due to related parties (Note 21)	**72,429**	15,056,992
VAT payable	–	1,816,145
Others	**2,171,081**	3,369,448
	183,572,609	269,779,137
Less noncurrent portion	**77,325,787**	15,276,001
Current portion	**₱106,246,822**	₱254,503,136

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

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

	2022	2021
Beginning balance	**₱3,275,327**	₱3,116,716
Declaration	**45,387,937**	19,725,824
Payments	**(45,162,080)**	(19,567,213)
Ending balance	**₱3,501,184**	₱3,275,327

12. **Notes and Contracts Payable**

In 2022 and 2021, the Company no longer applied for a Certificate of Permit to Offer Securities for Sale. No interest expense was incurred as of December 31, 2022 and 2021.

The Company, CI, CDC and Cityplans, Incorporated (CPI) [the "Group"] have credit lines with financial institutions aggregating to about ₱2,300.00 million as of December 31, 2022 and 2021, respectively, which are available for drawing by any of the companies within the Group. No loans were availed by the Group from the credit line as of December 31, 2022 and 2021.

The Company has no specific credit lines with financial institutions as of December 31, 2022 and 2021.

The carrying values of CDC's investment properties and real estate properties for sale amounting to ₱146.67 million and ₱51.04 million, respectively, can be used as collaterals for the Group's credit lines.

13. **Equity**

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

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

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

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

On July 29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock. Further, the SEC resolved to authorize the issuance of 71,589,265 shares with par value of ₱1.00 per share to cover the 5% stock dividends declared by the Board of Directors on April 26, 2021 and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock on June 8, 2021 and the issuance of shares of stock to stockholders of record as of August 30, 2022. The said stock dividends were distributed to stockholders on September 23, 2022.

As of December 31, 2022 and 2021, the Company has 1,503,374,202 and 1,431,785,284 shares held by 745 and 746 equity holders, respectively.

The following table summarizes the authorized and outstanding shares of capital stock:

	2022	2021	2020
Authorized common stock - ₱1 par value			
Balance at beginning of year	**1,435,000,000**	1,435,000,000	1,435,000,000
Increase in authorized capital stock	**280,000,000**	–	–
Balance at end of year	**1,715,000,000**	1,435,000,000	1,435,000,000
Issued and outstanding			
Balance at beginning of year	**1,431,785,284**	1,431,785,284	1,431,785,284
Stock dividends distributed in 2022	**71,588,918**	–	–
Balance at end of year	**1,503,374,202**	1,431,785,284	1,431,785,284

Dividends declared and issued/paid by the Company in 2022, 2021 and 2020 follows:

Dividends	Board Approval Date	Stockholders' Approval Date	Per Share	Stockholders of Record Date	Date Issued/Paid
Cash	June 8, 2022	–	₱0.0317	June 22, 2022	July 8, 2022
	June 4, 2021	–	0.01392	July 2, 2021	July 28, 2021
	August 20, 2020	–	0.0292	September 18, 2020	October 14, 2020
Stock*	April 26, 2021	June 8, 2021	5.00%	August 30, 2022	September 23, 2022

**No stock dividend declared in 2022 and 2020.*

Fractional shares of stock dividends were paid in cash by the Company to its shareholders based on the par value. The SEC resolved to authorize the issuance of shares of stockholders of record as of August 30, 2022. The payment date of the said stock dividends was last September 23, 2022.

As of December 31, 2022 and 2021, the unappropriated retained earnings include the impact of the remaining balance of deemed cost adjustment of investment properties amounting to ₱12.67 million, net of related deferred tax of ₱4.22 million, which arose when the Company transitioned to PFRS in 2005. This amount has yet to be realized through sales. The balance of unappropriated retained earnings is restricted for the payment of dividends to the extent of the balance of the deemed cost adjustment.

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

	2022	2021
Deemed cost adjustment, net of tax	**₱12,670,047**	₱12,670,047
Fair value adjustment arising from repossessed inventories	**(7,615,045)**	(7,833,685)
Deferred income tax assets (Note 20)	**6,666,120**	4,185,416
	₱11,721,122	₱9,021,778

14. **Operating Expenses**

Operating expenses consist of:

	2022	2021	2020
Personnel (Note 15)	**₱93,256,104**	₱74,795,959	₱35,754,573
Professional fees	**24,016,042**	9,843,496	5,024,502
Taxes and licenses	**12,260,996**	11,176,351	12,496,369
Brokers' commission	**7,344,224**	2,112,608	977,419
Membership dues	**3,791,001**	954,734	537,580
Insurance (Note 5)	**3,687,380**	2,313,471	2,438,574
Donations and contributions	**3,600,000**	–	–
Outside services	**3,133,090**	1,403,093	757,523
Repairs and maintenance	**2,225,650**	2,076,019	1,705,792
Power, light and water	**2,092,624**	1,148,481	423,050
Rent expense	**1,769,856**	1,634,596	829,064
Postage, telephone and telegraph	**1,029,866**	1,094,098	501,639
Transportation	**597,961**	372,413	164,338
Advertising and promotions	**574,712**	731,809	607,439
Stationery and office supplies	**174,665**	114,419	96,750
Others	**5,317,503**	1,092,858	3,135,088
	₱164,871,674	₱110,864,405	₱65,449,700

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

15. **Personnel Expenses**

Personnel expenses consist of:

	2022	2021	2020
Salaries and wages	**₱37,506,204**	₱36,828,358	₱17,614,579
Commissions	**30,202,809**	15,802,958	5,807,046
Bonuses and other employee benefits	**24,130,900**	20,294,951	9,887,359
Retirement benefits cost (Note 19)	**1,416,191**	1,869,692	2,445,589
	₱93,256,104	₱74,795,959	₱35,754,573

16. **Financial Income**

Financial income consists of:

	2022	2021	2020
Interest income from:			
Installment contracts receivable and contract assets (Note 5)	**₱80,815,256**	₱62,707,728	₱70,127,330
Cash equivalents and short-term investments (Note 4)	**13,421,891**	4,171,852	7,374,239
Guaranty deposit (Note 10)	**1,754,597**	–	–
Cash in banks (Note 4)	**16,726**	38,722	36,132
Dividend income	**11,378**	11,331	10,365
	₱96,019,848	₱66,929,633	₱77,548,066

17. **Financial Expenses**

Financial expenses amounting to ₱721,700, ₱157,200 and ₱203,550 in 2022, 2021 and 2020, respectively, pertains to finance charges.

18. **Other Income - net**

Other income - net amounting to ₱9.84 million, ₱8.34 million and ₱18.04 million in 2022, 2021 and 2020, respectively, pertains to the gain or loss arising from forfeiture or cancellation of prior years' real estate sales arising from the difference between the outstanding balance of receivables and the original cost of the inventories. In addition, other income - net includes penalties for customers' late payments and sale of scraps, income from mark-up on sharing of expenses and forfeiture of reservations and down payments received on sales which were not consummated.

19. **Employee Benefits**

Under the existing regulatory framework, Republic Act No. 7641, *The Philippine Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however, that the employees retirement benefit under the collective bargaining and other agreements shall not be less than provided under the law. The law does not require minimum funding of the plan.

Retirement benefits cost
The Company, jointly with affiliated companies, has a funded, noncontributory defined benefit retirement plan, covering all of its permanent employees. This provides for payment of benefits to covered employees upon retirement subject to certain condition which is based on a certain percentage of the employee's final monthly salary and the number of years of service.

The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan who is responsible for the investment strategy of the plan.

The details of net retirement benefits cost, which is included in "Personnel expenses" account (see Note 15), are as follows:

	2022	2021	2020
Current service cost	**₱1,367,621**	₱1,720,785	₱2,028,202
Net interest cost on net defined benefit obligation	**48,570**	148,907	417,387
Net retirement benefits cost	**₱1,416,191**	₱1,869,692	₱2,445,589

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

	2022	2021	2020
Actuarial loss (gain) on defined benefit obligation:			
Due to change in financial assumption	**(₱1,807,380)**	(₱2,368,505)	(₱1,884,753)
Due to experience adjustments	**(373,828)**	(128,144)	(2,582,759)
Loss (gain) on plan assets excluding amounts included in net interest cost	**415,987**	(488,669)	238,078
Re-measurement gain	**(1,765,221)**	(2,985,318)	(4,229,434)
Income tax effect (Note 20)	**441,305**	1,199,019	1,268,829
	(₱1,323,916)	(₱1,786,299)	(₱2,960,605)

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

	2022	2021
Present value of defined benefit obligation	**₱15,270,456**	₱18,957,450
Fair value of plan assets (Note 21)	**16,503,048**	17,982,158
Retirement benefits liability (asset)	**(₱1,232,592)**	₱975,292

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

	2022	2021
Beginning balances	**₱975,292**	₱3,949,772
Retirement benefits cost	**1,416,191**	1,869,692
Re-measurement gain	**(1,765,221)**	(2,985,318)
Contributions (Note 21)	**(1,858,854)**	(1,858,854)
Ending balances	**(₱1,232,592)**	₱975,292

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

	2022	2021
Balances at beginning of year	**₱18,957,450**	₱22,533,309
Current service cost	**1,367,621**	1,720,785
Interest cost on defined benefit obligation	**944,081**	849,506
Benefits paid	**(3,817,488)**	(3,649,501)
Actuarial gain	**(2,181,208)**	(2,496,649)
Balances at end of year	**₱15,270,456**	₱18,957,450

Changes in fair value of plan assets are as follows:

	2022	2021
Balances at beginning of year	**₱17,982,158**	₱18,583,537
Contributions to the plan	**1,858,854**	1,858,854
Interest included in net interest costs	**895,511**	700,599
Benefits paid	**(3,817,488)**	(3,649,501)
Actuarial gain (loss) excluding amount recognized in net interest cost	**(415,987)**	488,669
Balances at end of year	**₱16,503,048**	₱17,982,158

The actual return amounted to ₱0.48 million and ₱1.19 million in 2022 and 2021, respectively.

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

	2022	2021
Investment properties	**51.79%**	48.29%
Cash and cash equivalents	**44.74%**	48.25%
Investments in equity securities	**3.37%**	3.52%
Receivables	**0.17%**	0.01%
Payables	**(0.07%)**	(0.07%)
	100.00%	100.00%

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

The Company expects to contribute ₱2.10 million to the retirement fund in 2023.

The Company does not currently employ any asset-liability matching. The latest actuarial valuation report is as of December 31, 2022. The principal assumptions used in determining retirement benefits cost for the Company's plan as of January 1 are as follows:

	2022	2021
Number of employees	**50**	57
Discount rate per annum	**4.98%**	3.77%
Future annual increase in salary	**3.00%**	3.00%
Mortality rate	**1994 GAM***	1994 GAM*
Disability rate	**1952 Disability Study**	1952 Disability Study

**Group Annuity Mortality Table*

As of December 31, 2022, the discount rate is 7.11% and the future increase in salary is 4.00%.

The defined benefit obligation is subject to several key assumptions. The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, assuming all other assumptions were held constant.

	Increase (decrease) in basis points (bps)	Increase (decrease) in defined benefit obligation	
		2022	2021
Discount rate	+0.50%	**(₱1,687,254)**	(₱816,222)
	-0.50%	**1,834,383**	905,289
Salary increase rate	+1.00%	**3,756,600**	1,875,720
	-1.00%	**(3,235,467)**	(1,554,112)

There are no changes in the method of computing for sensitivity analysis for the years ended December 31, 2022 and 2021.

Shown below is the maturity analysis of the undiscounted expected benefit payments as of December 31, 2022:

Plan year	No. of Retirees	Total Benefit
1 year and less	1	₱4,087,202
More than 1 year to 5 years	0	–
More than 5 years to 10 years	4	12,338,214
More than 10 years to 15 years	3	13,623,115
More than 15 years to 20 years	2	6,701,701
More than 20 years	39	144,987,755
	49	₱181,737,987

The average duration of the defined benefit obligation is 22 years and 21 years as of December 31, 2022 and 2021, respectively.

Accrued sick leave
Employees are entitled to paid sick leave of 15 days per year of service after issuance of regular appointment, computed at 1.25 days per month of service, enjoyable only after one year of regular service. Unused sick leaves are cumulative and convertible to cash based on the employee's salary at the time that the employee is leaving the Company. Accrued sick leave, presented under "Accounts payable and accrued expenses - noncurrent portion" account, amounted to ₱7.31 million and ₱8.70 million as of December 31, 2022 and 2021, respectively (see Note 11).

20. Income Taxes

a. Provision for income tax consists of:

	2022	2021	2020
Current	**₱109,745,333**	₱46,744,612	₱21,035,552
Deferred	**14,602,231**	729,351	9,589,130
	124,347,564	47,473,963	30,624,682
Final tax on interest income	**3,038,643**	842,115	1,482,074
	₱127,386,207	₱48,316,078	₱32,106,756

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

	2022	2021
Deferred income taxes recognized in profit or loss:		
Deferred income tax assets on:		
Accrued expenses	**₱5,885,810**	₱3,386,578
Unamortized past service cost	**681,935**	722,735
Unearned revenue	**98,375**	76,103
	6,666,120	4,185,416
Deferred income tax liabilities on:		
Difference between tax basis and book basis of accounting for real estate transactions	**(20,776,406)**	(1,912,803)
Deemed cost adjustment in real estate properties (Notes 9 and 13)	**(4,223,349)**	(4,223,349)
Accumulated excess contributions over retirement benefits cost	**(1,383,966)**	(1,456,289)
Capitalized borrowing costs	**(995,498)**	(2,102,437)
Cost to obtain contract (Note 5)	–	(601,406)
	(27,379,219)	(10,296,284)
	(20,713,099)	(6,110,868)
Deferred income tax asset recognized in other comprehensive income - actuarial loss on defined benefit plan	**1,075,818**	1,517,123
Net deferred income tax liabilities	**(₱19,637,281)**	(₱4,593,745)

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

	2022	2021	2020
Income tax at statutory tax rate	**₱134,909,908**	₱55,687,497	₱40,998,041
Adjustments to income tax resulting from:			
Tax-exempt interest income	**(6,346,985)**	(5,259,781)	(7,993,537)
Interest income subjected to final tax	**(3,798,304)**	(1,052,643)	(2,223,111)
Final tax on interest income	**3,038,643**	842,115	1,482,074
Nontaxable income	**(414,210)**	–	(153,602)
Nontaxable dividend income	**(2,845)**	(2,833)	(3,109)
Effect of CREATE Law	–	(2,649,882)	–
Nondeductible expense	–	751,605	–
Provision for income tax	**₱127,386,207**	₱48,316,078	₱32,106,756

d. On March 26, 2021, the President of the Philippines signed into law Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);

- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

The implementation of CREATE Law resulted to the following:

	As reflected in the 2020 Audited FS	As per implementation of CREATE Law	Difference
Provision for income tax			
Current	₱21,035,552	₱19,282,589	₱1,752,963
Deferred	9,589,130	8,692,211	896,919
Remeasurement gain on defined benefit plan (Note 19)	2,716,143	2,263,452	452,691
Income tax payable (prepaid tax)	786,568	(966,394)	1,752,963

21. Related Party Transactions

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

The Company discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement. The Company, in the normal course of business, has transactions and account balances with related parties consisting mainly of the following:

	Amount of transactions		Outstanding Balances				
			Receivable (Note 6)		Payable (Note 11)		
Nature of Transaction	**2022**	2021	**2022**	2021	**2022**	2021	Terms and conditions
Ultimate Parent Company (CI)							
Sharing of expenses charged to the Company - net (b)	**₱4,813,502**	(₱3,441,086)	**₱–**	₱–	**₱72,429**	₱4,885,931	30-day, unsecured, non-interest bearing to be settled in cash;
Parent Company (CDC)							
Sharing of expenses charged by (to) the Company - net (b)	**(9,303,458)**	10,131,774	**828,316**	–	**–**	10,131,774	30-day, unsecured, non-interest bearing to be settled in cash;
Affiliate (CPI)							
Sharing of expenses charged to the Company - net (b)	**19,585**	39,287	**19,702**	–	–	39,287	30-day, unsecured, non-interest bearing to be settled in cash

(Forward)

			Outstanding Balances				
	Amount of transactions		Receivable (Note 6)		Payable (Note 11)		
Nature of Transaction	**2022**	2021	**2022**	2021	**2022**	2021	Terms and conditions
Sale of real estate property under pre-completion contracts (a)	**₱–**	₱–	**₱–**	₱150,000	**₱–**	₱–	To be settled in cash upon turnover; interest-bearing (Note 5)
Affiliate (CLHI)							
Interest income from guaranty deposits (d)	**1,754,597**	–	**389,911**	–	**–**	–	Settled in cash
Retirement plan							
Contributions to the plan (c)	**1,858,854**	1,858,854	**–**	–	**–**	–	Settled in cash
Key management personnel							
Salaries and other compensation (d)	**–**	–	**–**	–	**–**	–	Settled in cash
BOD							
Directors' fees	**11,388,343**	2,787,272	**–**	–	**16,236,714**	4,848,371	Settled in cash
Shares of stock (e)	**–**	–	**–**	–	**–**	–	Pertains to 40,214,961 and 38,299,965 common shares at ₱1 par value per share

a. In 2016, the Company sold condominium units of an on-going real estate project to CPI with a contract price amounting to ₱19.42 million (realized as revenue based on POC). This project was completed last May 2022. In 2022, these units were turned over to CPI. The retention payable for this sale transaction amounted to nil and ₱0.15 million as of December 31, 2022 and 2021, respectively (see Note 6).

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

c. The Company, jointly with affiliated companies under common control, has a trust fund for the retirement plan of their employees. The trust fund is being maintained by a third-party trustee bank under the supervision of the Retirement Committee of the Group who is responsible for the investment strategy of the plan. The Company's share in the Group's fair value of plan assets amounted to ₱16.50 million and ₱17.98 million as of December 31, 2022 and 2021, respectively. The Company's share in the carrying value of plan assets is equivalent to its share in the fair value.

   The major categories of plan assets are cash and cash equivalents, investments in equity securities, loans and receivables and investment properties (see Note 19). Investments in equity securities of plan assets include investment in shares of CDC. The third-party trustee bank exercises the voting rights over the shares. The fair value of the investment in CDC amounted to ₱4.27 million and ₱4.78 million as of December 31, 2022 and 2021, respectively, with original cost of ₱3.40 million. Unrealized gain on changes of fair value of these investments amounted to nil as of December 31, 2022 and 2021. Loans and receivables of plan assets pertain to accrued interest receivable amounting to ₱0.21 million and ₱0.01 million as of December 31, 2022 and 2021, respectively. The retirement plan assets as of December 31, 2022 and 2021 include fair value of investment properties held for lease amounting to ₱65.60 million, which was purchased from CDC in 2013. The sale was conducted in the normal course of business and was measured at current selling price and settled in cash.

Contributions to the fund amounted to ₱1.86 million in 2022 and 2021 (see Note 19).

d. In 2022, the Company through its affiliate - Credit and Land Holdings, Inc. (CLHI), issued a cash bond amounting to ₱62.99 million in favor of HLURB in relation to the construction and development of its future ongoing projects which was recorded as guaranty deposit under “Other noncurrent assets” (see Note 10). The said amount was placed by CLHI to a financial institution with a maturity of three (3) years. Interest income earned amounted to ₱1.75 million in 2022 and nil in 2021 and 2020 (see Note 16). Accrued interest amounting to ₱0.39 million as of December 31, 2022 was recorded under “Other receivables - accrued interest account in the statement of financial position (see Note 6).

e. Compensation of key management personnel are as follows:

	2022	2021	2020
Salaries	**₱3,870,549**	₱3,658,448	₱2,107,670
Bonuses	**1,001,599**	950,384	363,171
Other benefits	**4,143,261**	3,512,148	1,793,111
	₱9,015,409	₱8,120,980	₱4,263,952

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

The Company has no standard arrangements with regard to remuneration of its directors. In 2022, 2021 and 2020, the BOD received a total of ₱6.63 million, ₱2.79 million and ₱5.33 million, respectively. Moreover, the Company has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Company does not have any arrangements for stock warrants or options offered to its employees.

f. Shares of stock of the Company held by members of the BOD aggregated to ₱40.21 million and ₱38.30 million par value as of December 31, 2022 and 2021, respectively.

22. Financial Instruments and Fair Value Measurement

Financial Risk Management Objectives and Policies

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

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

The main risks arising from the Company's financial instruments are market risk (i.e., cash flow interest rate risk, and equity price risk), credit risk, and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized below.

Market risk
Cash flow interest rate risk
Cash flow interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's notes payable, with repriced interest rates.

The Company's policy in addressing volatility in interest rates includes maximizing the use of operating cash flows to be able to fulfill principal and interest obligations even in periods of rising interest rates.

There is no impact on the Company's equity other than those already affecting income before income tax.

Equity price risk
Equity price risk is the risk that the fair values of investments in equity securities will decrease as a result of changes in the market values of individual shares of stock. The Company is exposed to equity price risk because of investments held by the Company classified as financial assets at FVOCI in the statements of financial position. The Company employs the service of a third-party stockbroker to manage its investments in shares of stock.

The following table demonstrates the sensitivity analysis of the Company's equity to a reasonably possible change in equity price based on forecasted and average movements of equity prices (with all other variables held constant):

	Change in equity price	Effect on equity
2022	**+/-0.0156**	**+/-₱8,246**
2021	+/-0.2876	+/-₱180,827

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

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the objective that the Company's exposure to credit loss is not significant. The risk is further mitigated because the Company holds the title to the real estate properties with outstanding installment contracts receivable balance and the Company can repossess such real estate properties upon default of the buyer in paying the outstanding balance. The Company's policy is to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk within the Company.

The tables below show the Company's exposure to credit risk for the components of the statements of financial position. The exposure as of December 31, 2022 and 2021 is shown at gross, before taking the effect of mitigation through the use of collateral agreements and other credit enhancements, and the maximum exposure at net, after taking the effect of mitigation through the use of collateral agreements and other credit enhancements.

December 31, 2022:

	Gross maximum exposure	**Fair value of collaterals/credit enhancements**	**Net exposure**	**Financial effect of collaterals/credit enhancements**
Financial assets at amortized cost				
Cash and cash equivalents*	**₱103,033,086**	**₱–**	**₱103,033,086**	**₱–**
Short-term investments	**399,500,000**	**–**	**399,500,000**	**–**
Installment contracts receivable	**4,620,625**	**59,679,515**	**–**	**4,620,625**
Guaranty deposit	**62,999,438**	**–**	**62,999,438**	**–**
Refundable deposits	**1,570,215**	**–**	**1,570,215**	**–**
Other receivables:				
Advances to customers	**13,324,992**	**–**	**13,324,992**	**–**
Accrued interest	**3,317,357**	**–**	**3,317,357**	**–**
Advances to condominium corporations	**3,315,361**	**–**	**3,315,361**	**–**
Due from related parties	**848,018**	**–**	**848,018**	**–**
Rent receivable	**133,347**	**–**	**133,347**	**–**
Retention	**10,000**	**–**	**10,000**	**–**
Others	**136,402**	**–**	**136,402**	**–**
Contract asset	**768,224,984**	**1,275,875,798**	**–**	**768,224,984**
Total credit risk exposure	**₱1,361,033,825**	**₱1,335,555,313**	**₱588,188,216**	**₱772,845,609**

**Excluding cash on hand amounting to ₱16,768.*

December 31, 2021:

	Gross maximum exposure	Fair value of collaterals/credit enhancements	Net exposure	Financial effect of collaterals/credit enhancements
Financial assets at amortized cost				
Cash and cash equivalents*	₱210,995,389	₱–	₱210,995,389	₱–
Short-term investments	123,500,000	–	123,500,000	–
Installment contracts receivable	5,015,789	134,467,809	–	5,015,789
Refundable deposits	1,558,059	–	1,558,059	–
Other receivables:				
Advances to condominium corporations	₱2,089,888	₱–	₱2,089,888	₱–
Advances to customers	941,495	–	941,495	–
Retention	939,999	–	939,999	–
Accrued interest	564,082	–	564,082	–
Rent receivable	222,436	–	222,436	–
Others	5,421	–	5,421	–
Contract asset	496,406,333	1,294,912,959	–	496,406,333
Total credit risk exposure	₱842,238,891	₱1,429,380,768	₱340,816,769	₱501,422,122

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

The Company has performed an ECL calculation for its financial assets at amortized cost. The ECL is a product of the probability of default, loss given default and exposure at default.

In determining the probability of default, the Company used historical default rates for the last five years for the installment sales from its customers and last two years for other receivables. The Company applied the possible effects of macroeconomic factors to the historical loss rate. For loss given default, the Company determined the fair value less cost of repossession of collaterals upon default is higher than the exposure at default. Thus, no expected credit loss was recognized for the Company's installment contract receivables, contract assets and other receivables from its customer.

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

The Company considers other receivables from third parties and related parties as medium grade. Third parties are primarily managed through screening based on credit history and financial information submitted. Whereas, related parties have low risk of default and have a strong capacity to meet their contractual cash flows in the near term. The following tables summarize the aging analysis of receivables on which expected credit loss rate was applied:

December 31, 2022:

			Days past due					
	Contract asset	**Current**	**More than one year**	**Less than 30 days**	**30-60 days**	**61-90 days**	**Over 90 days**	**Total**
Installment contracts receivable	**₱–**	**₱–**	**₱–**	**₱1,151,617**	**₱3,407,614**	**₱16,644**	**₱44,750**	**₱4,620,625**
Contract asset	**768,224,984**	**–**	**–**	**–**	**–**	**–**	**–**	**768,224,984**
Refundable deposits	**–**	**1,570,215**	**–**	**–**	**–**	**–**	**–**	**1,570,215**
Other receivables:								
Advances to customers	–	–	**6,581**	**13,176,590**	**–**	–	**141,821**	**13,324,992**
Accrued interest	**–**	**3,317,357**	**–**	**–**	**–**	**–**	**–**	**3,317,357**
Advances to condominium corporations	**–**	**2,722,117**	**593,245**	**–**	**–**	**–**	**–**	**3,315,362**
Due from related parties	**–**	**848,018**	**–**	**–**	**–**	**–**	**–**	**848,018**
Rent receivable	**–**	**133,347**	**–**	**–**	**–**	**–**	**–**	**133,347**
Retention	**–**	**10,000**	**–**	**–**	**–**	**–**	**–**	**10,000**
Others	**–**	**136,402**	**–**	**–**	**–**	**–**	**–**	**136,402**
	₱768,224,984	**₱8,737,456**	**₱599,826**	**₱14,328,207**	**₱3,407,614**	**₱16,644**	**₱186,571**	**₱795,501,302**

December 31, 2021:

			Days past due					
	Contract asset	Current	More than one year	Less than 30 days	30-60 days	61-90 days	Over 90 days	Total
Installment contracts receivable	₱–	₱–	₱–	₱4,686,795	₱57,312	₱9,566	₱262,116	₱5,015,789
Contract asset	496,406,333	–	–	–	–	–	–	496,406,333
Refundable deposits	–	1,558,059	–	–	–	–	–	1,558,059
Other receivables:								
Advances to condominium corporations	–	1,498,569	591,319	–	–	–	–	2,089,888
Advances to customers	–	632,094	4,841	–	–	65,122	239,438	941,495
Retention	–	939,999	–	–	–	–	–	939,999
Accrued interest	–	564,082	–	–	–	–	–	564,082
Rent receivable	–	222,436	–	–	–	–	–	222,436
Others	–	5,421	–	–	–	–	–	5,421
	₱496,406,333	₱5,420,660	₱596,160	₱4,686,795	₱57,312	₱74,688	₱501,554	₱507,743,502

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

December 31, 2022:

	High Grade*	Medium Grade**	Total
Financial assets at amortized cost			
Cash and cash equivalents, excluding cash on hand	**₱103,033,086**	**₱–**	**₱103,033,086**
Short-term investments	**399,500,000**	**–**	**399,500,000**
Installment contracts receivable	**–**	**4,620,625**	**4,620,625**
Contract assets	**–**	**768,224,984**	**768,224,984**
Refundable deposits	**–**	**1,570,215**	**1,570,215**
Other receivables:			
Advances to customers	–	**13,324,992**	**13,324,992**
Accrued interest	**3,317,357**	–	**3,317,357**
Advances to condominium corporations	–	**3,315,361**	**3,315,361**
Due from related parties	–	**848,018**	**848,018**
Rent receivable	–	**133,347**	**133,347**
Retention	–	**10,000**	**10,000**
Others	–	**136,402**	**136,402**
	₱505,850,443	**₱792,183,944**	**₱1,298,034,387**

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

December 31, 2021:

	High Grade*	Medium Grade**	Total
Financial assets at amortized cost			
Cash and cash equivalents, excluding cash on hand	₱210,995,389	₱–	₱210,995,389
Short-term investments	123,500,000	–	123,500,000
Installment contracts receivable	–	5,015,789	5,015,789
Contract assets	–	496,406,333	496,406,333
Refundable deposits	–	1,558,059	1,558,059
Other receivables:			
Advances to condominium corporations	–	2,089,888	2,089,888
Advances to customers	–	941,495	941,495
Retention	–	939,999	939,999
Accrued interest	564,082	–	564,082
Rent receivable	–	222,436	222,436
Others	–	5,421	5,421
	₱335,059,471	₱507,179,420	₱842,238,891

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

Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of commercial papers.

The tables below summarize the maturity analysis of the Company's financial assets held for managing liquidity and financial liabilities based on contractual undiscounted payments:

December 31, 2022:

	1-30 days	31-90 days	91-180 days	181-365 days	Above 1 year	Total
Financial Assets						
Cash and cash equivalents	**₱98,049,854**	**₱5,000,000**	**₱–**	**₱–**	**₱–**	**₱103,049,854**
Short-term investments*	–	**401,946,556**	–	–	–	**401,946,556**
Installment contracts receivable**	**1,164,745**	**3,446,461**	**16,834**	**45,260**	–	**4,673,300**
Refundable deposits	–	–	–	–	**1,570,215**	**1,570,215**
Other receivables	**13,176,590**	**136,404**	**141,819**	**7,030,838**	**599,826**	**21,085,477**
Financial assets at FVOCI	–	–	–	–	**528,610**	**528,610**
Contract assets	**13,821,437**	**23,102,122**	**31,547,164**	**58,259,970**	**641,494,291**	**768,224,984**
	126,212,626	**433,631,543**	**31,705,817**	**65,336,068**	**644,192,942**	**1,301,078,996**
Financial Liabilities						
Accounts payable and accrued expenses***	**77,132,121**	**2,357,888**	**17,467,767**	**2,128,283**	**73,780,010**	**172,866,069**
Liquidity position	**₱49,080,505**	**₱431,273,655**	**₱14,238,050**	**₱63,207,785**	**₱570,412,932**	**₱1,128,212,927**

**Includes interest to maturity amounting to ₱2,446,556.*
*** Includes interest to maturity amounting to ₱52,675.*
**** Excludes customers' deposits amounting to ₱5,694,407 and statutory liabilities amounting to ₱5,004,530.*

December 31, 2021:

	1-30 days	31-90 days	91-180 days	181-365 days	Above 1 year	Total
Financial Assets						
Cash and cash equivalents	₱88,028,389	₱122,983,500	₱–	₱–	₱–	₱211,011,889
Short-term investments*	–	123,630,109	–	–	–	123,630,109
Installment contracts receivable**	4,740,224	67,641	265,104	–	–	5,072,969
Refundable deposits	–	–	–	–	1,558,059	1,558,059
Other receivables	2,454,583	605,751	55,609	1,051,218	596,160	4,763,321
Financial assets at FVOCI	–	–	–	–	628,746	628,746
Contract assets	12,408,207	17,487,496	22,028,075	37,605,366	406,877,189	496,406,333
	107,631,403	264,774,497	22,348,788	38,656,584	409,660,154	843,071,426
Financial Liabilities						
Accounts payable and accrued expenses***	232,594,595	173,180	4,990,716	6,270	13,159,290	250,924,051
Liquidity position (gap)	(₱124,963,192)	₱264,601,317	₱17,358,072	₱38,650,314	₱396,500,864	₱592,147,375

**Includes interest to maturity amounting to ₱130,109.*
*** Includes interest to maturity amounting to ₱57,180.*
**** Excludes customers' deposits amounting to ₱10,657,900 and statutory liabilities amounting to ₱8,197,186.*

Fair Values

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

As of December 31, 2022:

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

As of December 31, 2021:

	Fair value		
	Level 1	Level 2	Level 3
Assets measured at fair value:			
Financial assets at FVOCI	₱628,746	₱–	₱–
Asset for which fair values are disclosed:			
Investment properties	–	–	1,419,300,000

The following method and assumptions were used to estimate the fair value of each class of financial instruments and investment properties, for which it is practicable to estimate such value.

Cash and cash equivalents, short-term investments, installment contracts receivable, contract assets, other receivables, refundable deposits and accounts payable and accrued expenses
Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, short-term investments, installment contracts receivable, contract assets, other receivables, refundable deposits and accounts payable and accrued expenses approximate their carrying amounts. The fair value of installment contracts receivable and contract assets approximates its carrying amount as it carries interest rates that approximate the interest rate for comparable instruments in the market.

Financial Assets at FVOCI
Financial assets at FVOCI are stated at fair value based on quoted market prices.

Investment properties
The fair value of certain investment properties is determined using sales comparison approach. Sales comparison approach considers the sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use.

Another method used in determining the fair value of other land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparable. The comparison is premised on the factors of location; size and shape of the lot; time element and others.

The fair value of the investment properties as of December 31, 2022 and 2021 approximates and represents the highest and best use of the said properties which is the same with its current use.

23. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. It monitors its use of capital using leverage ratios on both gross debt and debt coverage basis. Debt consists of short-term debt. Debt coverage includes short-term debt less cash and cash equivalents and short-term investments. The Company considers as capital the total equity excluding the accumulated other comprehensive items.

The Company was able to meet its capital management objectives as of December 31, 2022 and 2021.

As of December 31, the Company has the following ratios:

	2022	2021
Notes and contracts payable	**₱–**	₱–
Total equity	**₱2,753,106,615**	₱2,385,017,347
Add (less):		
Net changes in fair values of financial assets at FVOCI	**(432,775)**	(532,911)
Accumulated re-measurement loss on defined benefit plan	**3,227,453**	4,551,369
Capital	**₱2,755,901,293**	₱2,389,035,805
Debt-to-capital ratio	**0.00:1**	0.00:1

	2022	2021
Cash and cash equivalents	**₱103,049,854**	₱211,011,889
Short-term investments	**399,500,000**	123,500,000
Debt coverage	**₱502,549,854**	₱334,511,889

As of December 31, 2022 and 2021, the Company has no externally imposed capital requirements.

In accordance with the rule on Minimum Public Ownership issued by the Philippine Stock Exchange (PSE) requiring listed companies to maintain a 10% public float at all times, the total number of shares owned by the public as of December 31, 2022 and 2021 are 248,754,127 and 236,909,013 shares, respectively, which are approximately 16.57% and 16.54%, respectively, of the total number issued and outstanding shares of the Company.

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

After listing in 1999, there had been subsequent issuances covering a total of 1,503,374,202 shares.

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

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

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

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

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

	Number of Shares Registered	Number of holders of securities as of yearend
December 31, 2020	1,431,785,284	756
Deduct Movement	–	(10)
December 31, 2021	1,431,785,284	746
Add/(Deduct) Movement	71,588,918	(1)
December 31, 2022	1,503,374,202	745

24. Basic/Diluted Earnings Per Share

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

	2022	2021	2020
Net income	**₱412,253,425**	₱174,433,909	₱104,553,382
Weighted average number of outstanding shares	**1,503,374,202**	1,503,374,202*	1,503,374,202*
Basic/diluted earnings per share	**₱0.27**	₱0.12	₱0.07

**After retroactive adjustment of stock dividend distributed in 2022.*

The Company has no potential dilutive common shares as of December 31, 2022, 2021 and 2020. Thus, the basic and diluted earnings per share are the same as of those dates.

25. Business Segments

The Company derives its revenues primarily from the sale and lease of real estate properties. These are the operating segments classified as business groups which are consistent with the segments reported to the BOD, its Chief Operating Decision Maker (CODM). The Company does not have any major customers and all sales and leases of real estate properties are made to external customers.

Segment Revenue and Expenses

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

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

	2020		
	Sales of Real Estate Properties	Lease of Real Estate Properties	Total
Revenue:			
Sales of real estate	₱253,550,492	₱–	₱253,550,492
Financial income	77,548,066	–	77,548,066
Rent income	–	5,331,033	5,331,033
Other income - net	18,037,980	–	18,037,980
Costs of real estate sales	152,154,183	–	152,154,183
Operating expenses:			
Personnel	35,754,573	–	35,754,573
Taxes and licenses	12,348,477	147,892	12,496,369
Professional fees	5,024,502	–	5,024,502
Insurance	2,438,574	–	2,438,574
Others	9,307,543	428,139	9,735,682
Financial expenses	203,550	–	203,550
Provision for income tax	30,680,255	1,426,501	32,106,756
Net income	₱101,224,881	₱3,328,501	₱104,553,382

Segment Assets and Liabilities

December 31, 2022:

	Sales of Real Estate Properties	**Lease of Real Estate Properties**	**Total**
Total assets	**₱2,788,493,090**	**₱181,139,332**	**₱2,969,632,422**
Total liabilities	**216,430,271**	**95,536**	**261,525,807**
Additions to real estate properties held for future development (Note 8)	**372,742**	**–**	**372,742**

December 31, 2021:

	Sales of Real Estate Properties	Lease of Real Estate Properties	Total
Total assets	₱2,544,036,323	₱181,139,332	₱2,725,175,655
Total liabilities	339,907,776	250,532	340,158,308
Additions to real estate properties held for future development (Note 8)	25,635,897	–	25,635,897

26. Contingencies

The Company is contingently liable for certain lawsuits or claims filed by third parties which are either pending decisions by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the financial statements. Hence, no provision was recognized as of December 31, 2022 and 2021.

27. Other Matters

Continuing COVID-19 Outbreak
On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic. As such, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region (NCR) effective March 15, 2020.

On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020 and further extended to May 15, 2020. After which, modified ECQ was implemented in Metro Manila until May 31, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines.

As at March 29, 2023, community quarantine restrictions of varying levels are still in effect in Metro Manila and other parts of the country in order to manage the spread of the virus. During the pandemic period, the Company observed decline in general business but economic recovery was seen in 2021 and is expected in the succeeding periods as a result of the decline in the number of COVID-19 cases and thereby loosening the community quarantines.

Russia-Ukraine Conflict
This ongoing Russia-Ukraine conflict sets several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Company has no exposure to investments in Ukraine or Russia.

The scale and duration of these developments and events remain uncertain as of March 29, 2023. It is not possible to estimate the overall impact of the outbreak and war's near-term and longer effects. Considering the evolving nature of the pandemic and the war, the Company will continue to closely monitor these situations.

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

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

a. Net sales/receipts and output VAT declared in the Company's VAT returns filed in 2022:

	Net sales/receipt	Output VAT
Vatable sales	₱592,253,714	₱71,070,449
Exempt	354,725,713	–
	₱946,979,427	₱71,070,449

The Company does not have zero-rated sales/receipts in 2022. The Company's net sales/receipts are based on actual collections received, hence, may not be the same as the amounts accrued/reflected in the "Sales of real estate properties" account in the Company's 2022 statement of income.

The Company has exempt sale transactions pursuant to Section 109 of the 1997 Tax Code, as amended.

b. Input VAT

The following table shows the sources of input VAT claimed:

Balance at beginning of year	₱–
Purchases of:	
Goods other than for resale	16,644,306
Services lodged under other accounts	13,319,098
Total available input VAT during the year	29,963,404
Less input VAT applied against output VAT and other adjustments	29,064,196
Balance at end of year	₱899,208

c. The Company does not have any importations in 2022.

d. Details of taxes and licenses are shown below:

	Under Costs of Real Estate Sales	Under Operating Expenses	Total
Business permit and registration	₱–	₱9,134,782	₱9,134,782
Real estate property taxes	168,837	796,271	965,108
Documentary stamp taxes	–	717,925	717,925
Other taxes and licenses	1,217,727	1,612,018	2,829,745
	₱1,386,564	₱12,260,996	₱13,647,560

e. Documentary stamp taxes

In 2022, the Company incurred documentary stamp taxes in relation to the payment for accident insurance and issuance of shares of stock as a result of the stock dividend.

f. Withholding taxes

The following are the categories of the Company's withholding taxes in 2022:

Compensation and benefits	₱10,460,821
Expanded taxes	6,630,838
Final taxes on cash dividends	837,341
	₱17,929,000

The outstanding balance of withholding taxes as of December 31, 2022 amounted to ₱5.00 million.

g. Tax contingencies:

i. The Company has no final deficiency tax assessments as of December 31, 2022.
ii. The Company has no tax cases, litigation and/or prosecution in courts or bodies outside the BIR.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of City & Land Developers, Incorporated (the Company) as at December 31, 2022 and 2021 and for the years then ended and have issued our report thereon dated March 29, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the financial statements.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan

Aileen L. Saringan
Partner
CPA Certificate No. 72557
Tax Identification No. 102-089-397
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 72557-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564694, January 3, 2023, Makati City

March 29, 2023

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

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

INDEPENDENT AUDITOR'S REPORT
ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of City & Land Developers, Incorporated (the Company) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 29, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the financial statements. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan

Aileen L. Saringan
Partner
CPA Certificate No. 72557
Tax Identification No. 102-089-397
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564694, January 3, 2023, Makati City

March 29, 2023

CITY & LAND DEVELOPERS, INCORPORATED

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SCHEDULE I

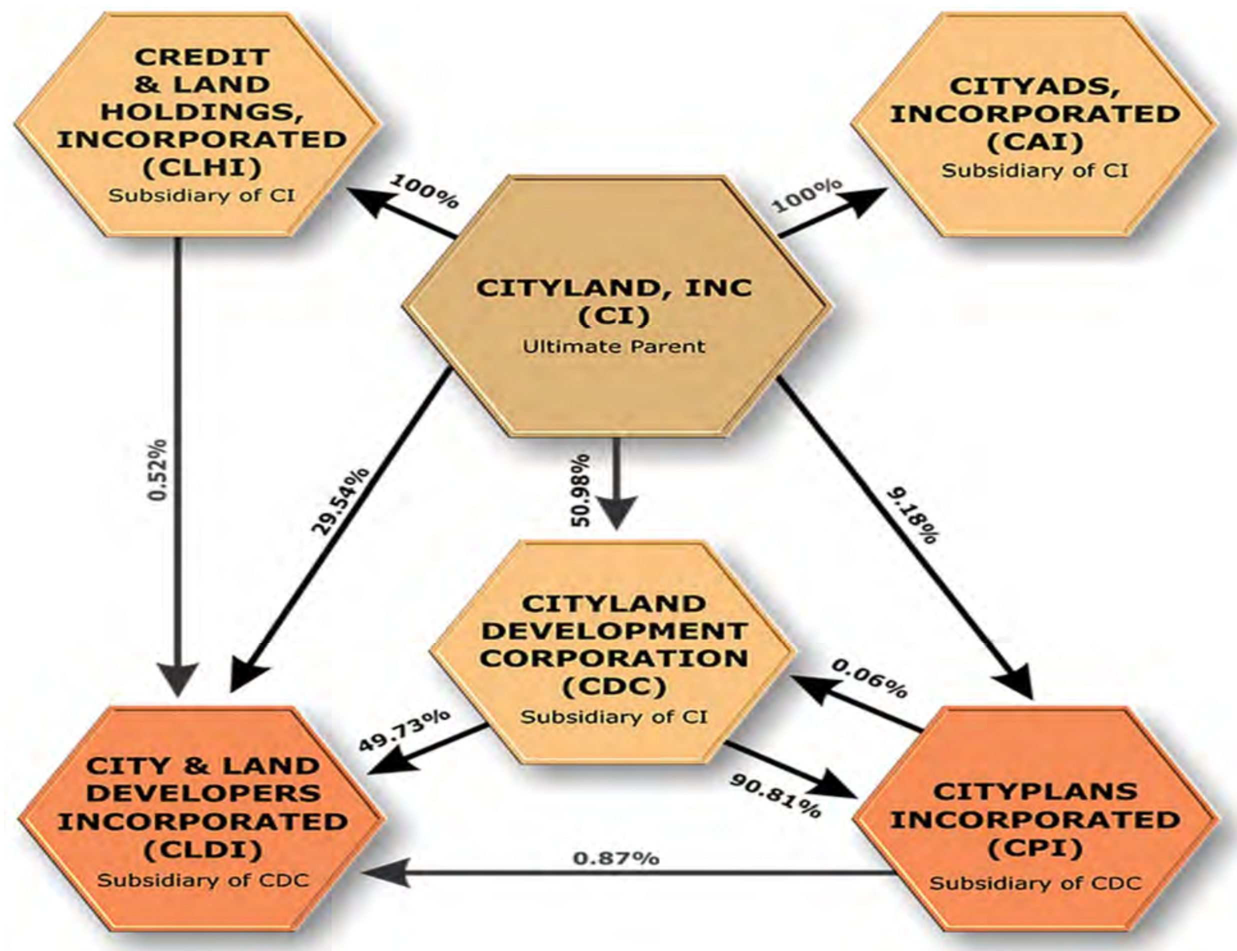
CITY & LAND DEVELOPERS, INCORPORATED
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2022

Retained earnings, beginning	₱957,145,385
Deemed cost adjustment on real estate properties, net of tax	(12,670,047)
Deferred income tax assets, beginning	(4,185,416)
Fair value adjustment arising from repossessed inventories, beginning	7,833,685
Retained earnings, as adjusted to available for dividends declaration, beginning	948,123,607
Add: Net income actually earned/realized during the year	
Net income during the year closed to retained earnings	412,253,425
Movement in deferred income tax assets	(2,480,704)
Movement in fair value adjustment arising from repossessed inventories	(218,640)
	409,554,081
Less: Dividends declared during the year	
Stock dividends	71,588,918
Cash dividends	45,387,590
Fractional shares	347
	116,976,855
Retained earnings available for dividends declaration, end	₱1,240,700,833

SCHEDULE II

CITY & LAND DEVELOPERS, INCORPORATED

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



SCHEDULE III

CITY & LAND DEVELOPERS, INCORPORATED
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E
SCHEDULE A. FINANCIAL ASSETS

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of financial position	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
CASH AND CASH EQUIVALENTS				
Cash on hand and in banks	₱–	₱20,581,738	₱–	₱16,726
Cash equivalents				
Amalgamated Investment Bancorporation	–	–	–	1,655,555
China Bank Savings	–	–	–	2,286,232
Citysavings Bank	–	–	–	1,223,721
Malayan Bank	–	–	–	439,384
Metrobank	–	2,000,000	–	20,000
Philippine National Bank	–	–	–	364,205
Philippine Savings Bank	–	–	–	183,479
Philippine Trust Co.	–	42,000,000	–	4,393,516
UCPB Savings Bank	–	38,468,116	–	521,064
	₱–	**₱103,049,854**	**₱–**	**₱11,103,882**
SHORT-TERM CASH INVESTMENTS				
China Bank Savings	₱–	₱75,500,000	₱–	₱577,836
Citysavings Bank	–	64,000,000	–	185,471
Philippine Savings Bank	–	61,000,000	–	363,417
Philippine Trust Co.	–	117,500,000	–	655,514
UCPB Savings Bank	–	67,500,000	–	411,075
	₱–	**₱385,500,000**	**₱–**	**₱2,193,313**
SHORT-TERM BOND INVESTMENTS				
Amalgamated Investment Bancorporation	₱–	**₱14,000,000**	₱–	**₱141,422**
	₱–	**₱502,549,854**	**₱–**	**₱13,438,617**

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of financial position	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
FINANCIAL ASSETS AT FVOCI				
Empire East	₱300,301	₱56,457	₱56,457	₱–
Ayala Land "B" Preferred	16,875	1,688	1,688	–
First Holding "B"	5,126	310,379	310,379	–
Swift Foods	150	11	11	–
Ayala Corporation "B" Preferred	227	157,765	157,765	–
Ayala Land "B" Common	75	2,310	2,310	–
	₱322,754	**₱528,610**	**₱528,610**	**₱–**

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

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

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

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

SCHEDULE D. LONG–TERM DEBT

Title of Issue and type of Obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
	Not applicable. The Company has no long-term debt.		

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES

Name of related parties	Balance at beginning of period	Balance at end of period
CI (Ultimate Parent)	₱4,885,931	₱72,429
CDC (Parent)	10,131,774	–
CPI (Affiliate)	39,287	–
Key management personnel	–	–

SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
	Not applicable. The Company has no guarantees of securities of other issuers.			

SCHEDULE G. CAPITAL STOCK

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock – ₱1 par value	1,715,000,000	1,503,374,202	–	1,212,509,366	42,110,709	248,754,127

SCHEDULE IV

CITY & LAND DEVELOPERS, INCORPORATED

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	**December 31**		
	2022	2021	2020
Current	**17.39**	4.98	6.98
Asset-to-equity	**1.08**	1.14	1.12
Debt-to-equity	**–**	–	–
Asset-to-liability	**13.71**	8.01	9.08
Solvency	**1.90**	0.51	0.38
Interest rate coverage	**–**	–	–
Acid-test	**5.47**	1.36	1.40
Return on equity	**14.97%**	7.31%	4.69%
Return on asset	**13.88%**	6.40%	4.18%
Net profit margin	**35.22%**	26.43%	29.50%
Basic/Diluted earnings per share	**₱0.27**	₱0.12*	₱0.07*

**After retroactive effect of 10% stock dividend in 2022.*

Manner of Calculation:

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

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

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

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

SCHEDULE V

CITY & LAND DEVELOPERS, INCORPORATED

SCHEDULE OF GROSS AND NET PROCEEDS OF COMMERCIAL PAPERS ISSUED
As of December 31, 2022

In 2022, 2021 and 2020, the Company no longer applied for a new Certificate of Permit to Offer Securities for Sale. All outstanding commercial papers in 2019 have been paid to the investors on or before November 6, 2019.

C O V E R   S H E E T

SEC Registration Number

1	5	2	6	6	1					

C O M P A N Y   N A M E

CITY & LAND DEVELOPERS, INCORPORATED

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	MSRD	N/A

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

Company's Email Address	Company's Telephone Number	Mobile Number
cldi_rg@cityland.net	8-893-6060	0968-545-1452

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
744 (as of March 31, 2023)	2nd Tuesday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	cdc_rg@cityland.net	8-893-6060	0968-545-1452

CONTACT PERSON'S ADDRESS

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

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17- Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **March 31, 2023**

2. SEC Identification Number **152661** 3. BIR Tax Identification No. **000-444-840**

4. Exact name of issuer as specified in its charter
   City & Land Developers, Incorporated

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

6. (SEC Use Only)
   Industry Classification Code

7. **3/F Cityland Condominium 10 Tower I,**
   156 H.V. Dela Costa Street, Makati City **1226**
   Address of Principal Office Postal Code

8. **632-8-893-6060**
   Issuer's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report **N/A**

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Unclassified Common Shares	**1,503,374,202**

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

    Yes [**X**] No [ ]

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

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

12. Check whether the issuer:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of the Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)?

Yes [**X**]   No [ ]

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

Yes [**X**]   No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The financial statements and accompanying notes are filed as part of this form (pages 12 to 54).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The Philippine real estate industry showed resurgence in 2022 despite the challenges brought about by COVID-19 pandemic. Throughout the year, the real estate sector proved to be resilient, providing significant contributions to the country's economic growth. One of the key factors that drove the industry's success was the demand for housing. With the increase in population, there is a growing demand for affordable housing especially for the middle-income segment of the market. As a result, developers took advantage of this opportunity by constructing and launching projects within the areas with high demand. Other than the housing options, the increase in demand for office and commercial spaces was also noted in 2022 due to the continuous decline in COVID-19 cases which allowed the increase in business activities. As the economy recovers, more businesses are expanding thus, increasing the demand for office and commercial spaces.

In addition, the Philippine government's infrastructure projects also drove the growth in real estate industry. The Build Build Build program aims to improve the country's transportation and logistics infrastructure which provided more opportunities to for real estate developers. The Philippine Gross Domestic Product (GDP) posted a growth of 7.2 percent in the fourth quarter of 2022, resulting to a 7.6 percent full-year growth in 2022.
(*Source:https://psa.gov.ph/content/gdp-expands-72-percent-fourth-quarter-2022-and-76-percent-full-year-2022*)

The Philippines' GDP grew by 6.4 percent in the first quarter of 2023, the slowest pace in seven quarters since the 12 percent in the second quarter of 2021, according to the Philippine Statistics Authority. The 1st quarter GDP is said to be better and above the median forecast of 6.2 percent by private sector economists. Further, at the national level, the headline inflation rate for the Philippines likewise slowed down to 7.6 percent in March 2023 from 8.6 percent in February 2023.
(*Sources: https://business.inquirer.net/400371/philippines-gdp-growth-above-target-at-6-4-in-q12023*)
(*https://rssoncr.psa.gov.ph/article/summary-inflation-report-consumer-price-index-2018100-national-capital-region-march-2023*)

The pandemic allowed companies to explore alternatives to continuously generate income despite the strict quarantine restrictions implemented in the previous years. In the real estate sector, companies explored the virtual house tours and virtual meetings together with the implementation of online sales portal to take advantage of the technology. These initiatives were continuously being utilized in 2022 which provided convenient way and faster processing of transactions. Overall, the Philippine real estate industry has shown significant growth and is expected to continue in the subsequent years.

The Cityland Group of Companies *[consists of City & Land Developers, Incorporated (CLDI), Cityland Development Corporation (CDC), Cityland, Inc. (CI) and Cityplans, Incorporated (CPI)]* will continue to monitor the demand in housing projects and implement strategies to cope with the changes in the environment and increase in demand.

Company Operations
CLDI (the "Company") completed last March 2018 the North Residences, which is a 29-storey residential and commercial condominium, located at EDSA corner Lanutan, Barangay Veterans Village, Quezon City (beside Waltermart). In October 2016, the Company launched One Taft Residences, a 40-storey mixed residential, office and commercial condominium located at 1939 Taft Avenue, Malate, Manila which was completed in May 2022.

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

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

Future Project:

Bonifacio Place

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

Ongoing Project:

One Hidalgo

One Hidalgo is a 39-storey mixed residential, office and commercial condominium located at 1730 P. Hidalgo Lim St., corner Gen. Malvar St., Malate, Manila. It is near various universities (De La Salle University, University of the Philippines - Manila, Philippine Christian University), government agencies (Supreme Court, Court of Appeals, Department of Justice) and other leisure establishments. The said project was launched in February 2023 and expected to be completed in September 2027.

As of March 31, 2023, the Company has a lot located in Metro Manila classified under the "Investment property" account.

Financial Condition (March 31, 2023 vs. December 31, 2022)

The Company's balance sheet as of March 31, 2023 remained solid with total assets of ₱3.02 billion, higher by 1.80% as compared to the balance as of December 31, 2022 of ₱2.97 billion. The increase in total assets was significantly due to sales of real estate properties and collection of receivables.

Excess funds were placed in short-term investments to maintain liquidity and generate additional interest income. The financial position remained stable as total cash and cash equivalents and short-term investments stood at ₱621.01 million and ₱502.55 million as of March 31, 2023 and December 31, 2022, respectively.

On the liabilities side, total liabilities increased by 9.30% from ₱216.53 million as of December 31, 2022 to ₱236.66 million as of March 31, 20323. This was primarily due to the increase in customers' deposits.

Total equity as of March 31, 2023 stood at ₱2.79 billion from ₱2.75 billion as of December 31, 2022, higher by 1.20%, due to comprehensive income of ₱33.17 million recognized as of March 31, 2023..

As a result of the foregoing, the Company registered current and acid test ratio of 13.41:1 and 4.22:1 as of the first quarter of 2023, as compared to 17.39:1 and 5.47:1 as of December 31, 2022. Asset-to-liability remained stable at 12.77:1 in March 31, 2023 as compared to 13.71:1 in December 31, 2022.

Results of Operation (March 31, 2023 vs. March 31, 2022)

Sales of real estate properties reached ₱105.72 million as of March 31, 2023 as compared to the previous year's sales of ₱288.22 million. Sales for the first quarter came from sale of condominium units of One Taft Residences and North Residences. There was a noted decline in sales in the 1st quarter of 2023 as compared to the same period in 2022 due to the recovery of the economy, loosening of quarantine restrictions and 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) in 2022. Further, as of March 31, 2023, though the Company has sold units from its newly launched project, no sales were recognized from such sale since the said project has not reached yet the required preliminary stage of completion.

Other sources of income are financial income, rent income and other income. Financial income which is composed of interest income from sale of real estate properties, cash and cash equivalents and short-term investments accounted for 23.14% of total revenues. Likewise, rental income amounted to ₱2.52 million as of the first quarter of 2023 as compared to ₱0.95 million of the same period last year. The increase was due to the increase in rental income from units for lease. Other income - net, on the other hand, pertains to adjustment of market value of repossessed units, penalties charged to clients and other miscellaneous income. Revenue contribution of this account amounted to ₱0.61 million and ₱1.13 million as of March 31, 2023 and 2022, respectively.

On the cost side, cost of real estate sales decreased as this moves in tandem with the sales of real estate properties. Operating expenses increased as a result of higher expenses incurred on taxes and licenses and brokers' commission.

As a result of the foregoing, the Company recorded a net income as of March 31, 2023 of ₱33.18 million as compared to ₱85.61 million as of March 31, 2022. This translated into an annualized earnings per share and return on equity of ₱0.09 and 4.76%, respectively as compared to the same period last year of ₱0.24 and 13.86%, respectively.

Financial Ratios

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	March 31, 2022 (Unaudited)
Current	**13.41**	17.39	6.53
Asset-to-equity	**1.08**	1.08	1.15
Debt-to-equity	**–**	–	–
Asset-to-liability	**12.77**	13.71	7.77
Solvency*	**0.56**	1.90	0.94
Interest rate coverage	**–**	–	–
Acid-test ratio	**4.22**	5.47	1.65
Return on equity (%)*	**4.76%**	14.97%	13.86%
Return on asset (%)*	**4.39%**	13.88%	12.08%
Net profit margin	**23.39%**	35.22%	27.75%
Basic/Diluted earnings per share*	**₱0.09**	₱0.27	₱0.24

** Annualized for the period of March 31, 2023 and March 31, 2022*

Manner of Calculation:

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

Net Profit Margin	=	$\frac{\text{Net Income after Tax}}{\text{Total Revenue}}$
Basic/Diluted earnings per share	=	$\frac{\text{Net income after Tax}}{\text{Outstanding shares}}$

Items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents

There are no unusual items affecting assets, liabilities, equity, net income or cash flows.

Any changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

Any issuances, repurchases, and repayments of debt and equity securities

Debt securities
As of March 31, 2023 and December 31, 2022, the Company no longer applied for a new Certificate of Permit to Offer Securities for Sale.

Equity securities
There are no issuances, repurchases and repayments of equity securities during the first quarter of 2023.

Any material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

Effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.

There are no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.

Any changes in contingent liabilities or contingent assets since the last annual balance sheet date

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

Hence, no provision was recognized as of March 31, 2023 and December 31, 2022.

Any Known Trends, Events or Uncertainties (Material impact on liquidity)

The loosening of COVID-19 quarantine restrictions allowed businesses to recover. The collection and increase in sales improved the Company's liquidity. The Company's current ratio and acid-test ratio resulted to 13.41 and 4.22, respectively as of March 31, 2023 as compared to 6.53 and 1.65, respectively as of March 31, 2022.

Internal and External Sources of Liquidity

Internal sources come from sales of condominium and real estate properties, collection of installment contracts receivables and contract assets, and maturing of short-term investments. Other sources include rental income, interest and dividend income.

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

The estimated development cost of ₱45.30 million as of March 31, 2023 representing the accrued payable of real estate properties sold will be sourced through:

a. Sales and lease of condominium and real estate properties;
b. Collection of installment contract receivables and contract assets; and
c. Maturing short-term investments.

Any Known Trends or Events or Uncertainties (Material Impact on Net Sales or Revenues or Income from Continuing Operations)

On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic. As such, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region (NCR) effective March 15, 2020.

On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020 and further extended to May 15, 2020. After which, modified ECQ was implemented in Metro Manila until May 31, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines.

As of March 31, 2023, the COVID-19 cases subsided resulting for the government to implement the lowest alert level 1 pandemic restrictions in Metro Manila and other parts of the country.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve. In 2022, the Company observed gradual increase in economic recovery and is still expected to continue in the succeeding periods as a result of the decline in the number of COVID-19 cases and thereby loosening the community quarantines.

Further, the ongoing Russia-Ukraine conflict sets several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Company has no exposure to investments in Ukraine or Russia.

The scale and duration of these developments and events remain uncertain as of March 31, 2023. It is not possible to estimate the overall impact of the outbreak and war's near-term and longer effects. Considering the evolving nature of the pandemic and the war, the Company will continue to closely monitor these situations.

Any Significant Elements of Income or Loss that did not arise from Registrant's Continuing Operations

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

Causes for any Material Changes from Period to Period in One or More Line of the Registrants Financial Statements

Financial Condition (March 31, 2023 vs. December 31, 2022)

a) Decrease in Cash and Cash Equivalents was due to shift of placements to short-term investments.
b) Increase in Short-term Investments was shift of placements to short-term investments.
c) Decrease in Installment Contracts Receivable was due to collection of past due accounts.
d) Decrease in Contract Assets was due to collection of receivables from sale of real estate properties.
e) Increase in Real Estate Properties for Sale was substantially due to construction costs incurred on newly launched project, One Hidalgo.
f) Decrease in Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) was due to decrease in market value of shares of stock.
g) Decrease in Other Receivables was substantially due to collection of advances to customers and condominium corporations and due from related parties.
h) Decrease in Other Current Assets was substantially due to utilization of prepaid expenses. On the other hand, increase in Other Noncurrent Assets was due to the increase in rental deposits as a result of increase in rental income from units lease.
i) Increase in Accounts Payable and Accrued Expenses was substantially due to higher customers' deposits as a result of the collections from sales of real estate properties in the Company's newly launched project, One Hidalgo. As of March 31, 2023, the project has not yet reached its preliminary stage of completion. Thus, all collections from the said sale were recorded as "Customers' deposits".
j) Decrease in Income Tax Payable was due to recognition of prepaid tax for the 1st quarter of 2023.
k) Decrease in Deferred Income Tax Liabilities – net was due to increase in deferred income tax asset from accrued expenses and decrease in deferred income tax liabilities on the difference between the tax basis and book basis of accounting for real estate transactions.
l) Decrease in Unrealized Fair Value of Investments on FVOCI was due to decrease in market value of shares of stock.
m) Increase in Retained Earnings was due to increase in net income recognized for the 1st quarter of 2023.

Results of Operation (March 31, 2023 vs. March 31, 2022)

a) Decrease in Sales of Real Estate Properties was due to higher sales in the previous period brought by the recovery in the economy, loosening of quarantine restrictions and increase in the percentage of completion of One Taft Residences. As of March 31, 2023, the Company has sales from its newly-launched project but no sale was recognized since it has not yet reached its preliminary stage of completion.
b) Increase in Financial Income was due to higher interest income earned from installment contracts receivable and contract assets.
c) Increase in Rent Income was due to higher rental from units held for lease.
d) Decrease in Other Income – net was due to decrease in income adjustment for repossessed units.
e) Decrease in Cost of Real Estate Sales was due to lower sales recognized as of March 31, 2023.
f) Increase in Operating Expenses was substantially due to higher taxes and licenses, brokers' commission and membership/association dues due to the turnover of One Taft Residences.
g) Increase in Financial Expenses was due to higher finance charges.
h) Decrease in Provision for Income Tax was due to lower taxable income.
i) Decrease in Net Income was due to higher sales in March 31, 2022 brought about by the economic recovery. As of March 31, 2023, the Company did not recognize any gross profit from sales on its ongoing and newly launched project, One Hidalgo.

STATEMENTS OF FINANCIAL POSITION
HORIZONTAL ANALYSIS

	March 31, 2023	December 31, 2022	% (March 31, 2023 vs December 31, 2022)
ASSETS			
Current Assets			
Cash and cash equivalents	83,007,286	103,049,854	-19.45%
Short-term investments	538,000,000	399,500,000	34.67%
Current portion of:			
Installment contracts receivable	653,659	4,620,625	-85.85%
Contract assets	53,740,807	126,730,693	-57.59%
Other receivables	15,742,798	20,485,651	-23.15%
Real estate properties for sale	1,498,325,913	1,394,385,073	7.45%
Other current assets	8,315,295	30,547,346	-72.78%
Total Current Assets	2,197,785,758	2,079,319,242	5.70%
Noncurrent Assets			
Contract assets - net of current portion	567,051,567	641,494,291	-11.60%
Other receivables - net of current portion	674,788	599,826	12.50%
Financial asset at FVOCI	518,540	528,610	-1.90%
Investment properties	181,139,332	181,139,332	0.00%
Retirement benefit assets	1,232,592	1,232,592	0.00%
Other noncurrent assets	74,540,162	65,318,529	14.12%
Total Noncurrent Assets	825,156,981	890,313,180	-7.32%
TOTAL ASSETS	3,022,942,739	2,969,632,422	1.80%
LIABILITIES AND EQUITY			
Accounts payable and accrued expenses	158,974,392	106,246,822	49.63%
Income tax payable	4,886,364	13,315,917	-63.30%
Total Current Liabilities	163,860,756	119,562,739	37.05%
Noncurrent Liabilities			
Accounts payable and accrued expenses - net of current portion	57,914,857	77,325,787	-25.10%
Deferred income tax liabilities - net	14,886,795	19,637,281	-24.19%
Total Noncurrent Liabilities	72,801,652	96,963,068	-24.92%
Total Liabilities	236,662,408	216,525,807	9.30%
Equity			
Attributable to Equity Holders of the Parent Company			
Capital Stock - ₱1 par value	1,503,374,202	1,503,374,202	0.00%
Additional paid-in capital	105,136	105,136	0.00%
Unrealized fair value changes on financial assets at fair	422,705	432,775	-2.33%
Accumulated re-measurement loss on defined benefit plan	(3,227,453)	(3,227,453)	0.00%
Retained earnings	1,285,605,741	1,252,421,955	2.65%
Total Equity	2,786,280,331	2,753,106,615	1.20%
TOTAL LIABILITIES AND EQUITY	3,022,942,739	2,969,632,422	1.80%

STATEMENTS OF FINANCIAL POSITION
VERTICAL ANALYSIS

	March 31, 2023	%	December 31, 2022	%
ASSETS				
Current Assets				
Cash and cash equivalents	83,007,286	2.75%	103,049,854	3.47%
Short-term investments	538,000,000	17.80%	399,500,000	13.45%
Current portion of:				
Installment contracts receivable	653,659	0.02%	4,620,625	0.16%
Contract assets	53,740,807	1.78%	126,730,693	4.27%
Other receivables	15,742,798	0.52%	20,485,651	0.69%
Real estate properties for sale	1,498,325,913	49.57%	1,394,385,073	46.95%
Other current assets	8,315,295	0.28%	30,547,346	1.03%
Total Current Assets	2,197,785,758	72.70%	2,079,319,242	70.02%
Noncurrent Assets				
Contract assets - net of current portion	567,051,567	18.76%	641,494,291	21.60%
Other receivables - net of current portion	674,788	0.02%	599,826	0.02%
Financial assets at FVOCI	518,540	0.02%	528,610	0.02%
Investment properties	181,139,332	5.99%	181,139,332	6.10%
Retirement benefit assets	1,232,592	0.04%	1,232,592	0.04%
Other noncurrent assets	74,540,162	2.47%	65,318,529	2.20%
Total Noncurrent Assets	825,156,981	27.30%	890,313,180	29.98%
TOTAL ASSETS	3,022,942,739	100.00%	2,969,632,422	100.00%

LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	158,974,392	5.26%	106,246,822	3.58%
Income tax payable	4,886,364	0.16%	13,315,917	0.45%
Total Current Liabilities	163,860,756	5.42%	119,562,739	4.03%
Noncurrent Liabilities				
Accounts payable and accrued expenses - net of current portion	57,914,857	1.92%	77,325,787	2.60%
Deferred income tax liabilities - net	14,886,795	0.49%	19,637,281	0.66%
Total Noncurrent Liabilities	72,801,652	2.41%	96,963,068	3.27%
Total Liabilities	236,662,408	7.83%	216,525,807	7.29%
Equity				
Attributable to Equity Holders of the Parent Company				
Capital Stock - ₱1 par value	1,503,374,202	49.73%	1,503,374,202	50.62%
Additional paid-in capital	105,136	0.00%	105,136	0.00%
Unrealized fair value changes on financial assets at fair value through other comprehensive income (FVOCI)	422,705	0.01%	432,775	0.01%
Accumulated re-measurement loss on defined benefit plan - net of deferred income tax effect	(3,227,453)	-0.11%	(3,227,453)	-0.11%
Retained earnings	1,285,605,741	42.53%	1,252,421,955	42.17%
Total Equity	2,786,280,331	92.17%	2,753,106,615	92.71%
TOTAL LIABILITIES AND EQUITY	3,022,942,739	100.00%	2,969,632,422	100.00%

STATEMENTS OF INCOME
HORIZONTAL ANALYSIS

	March 31, 2023	March 31, 2022	% (March 31, 2023 vs March 31, 2022)
REVENUE			
Sales of real estate properties	105,723,805	288,224,723	-63.32%
Financial income	33,037,332	18,215,681	81.37%
Rent income	2,519,104	952,635	164.44%
Other income - net	612,683	1,129,894	-45.78%
	141,892,924	308,522,933	-54.01%
COST AND EXPENSES			
Cost of real estate sales	47,540,824	148,158,645	-67.91%
Operating expenses	52,962,557	47,457,355	11.60%
Financial expenses	185,950	45,550	308.23%
	100,689,331	195,661,550	-48.54%
INCOME BEFORE INCOME TAX	41,203,593	112,861,383	-63.49%
PROVISION FOR INCOME TAX	8,019,807	27,256,107	-70.58%
NET INCOME	33,183,786	85,605,276	-61.24%

STATEMENTS OF INCOME
VERTICAL ANALYSIS

	March 31, 2023	%	March 31, 2022	%
REVENUE				
Sales of real estate properties	105,723,805	74.51%	288,224,723	93.42%
Financial income	33,037,332	23.28%	18,215,681	5.90%
Rent income	2,519,104	1.78%	952,635	0.31%
Other income - net	612,683	0.43%	1,129,894	0.37%
	141,892,924	100.00%	308,522,933	100.00%
COST AND EXPENSES				
Cost of real estate sales	47,540,824	33.50%	148,158,645	48.02%
Operating expenses	52,962,557	37.33%	47,457,355	15.38%
Financial expenses	185,950	0.13%	45,550	0.01%
	100,689,331	70.96%	195,661,550	63.42%
INCOME BEFORE INCOME TAX	41,203,593	29.04%	112,861,383	36.58%
PROVISION FOR INCOME TAX	8,019,807	5.65%	27,256,107	8.83%
NET INCOME	33,183,786	23.39%	85,605,276	27.75%

Any seasonal aspects that had a material effect on the financial condition and results of operation

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

Compliance to Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*

The Company's unaudited interim financial statements is in compliance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The same accounting policies and methods of computation are followed as compared with the most recent annual audited financial statements. However, the unaudited interim financial statements as of March 31, 2023 do not include all of the information and disclosures required in the annual audited financial statements and therefore, should be read in conjunction with the annual financial statements as of and for the year ended December 31, 2022. There are no any events or transactions that are material to an understanding of the current interim period.

PART II – OTHER INFORMATION

Disclosures not made under SEC Form 17-C

There are no reports that were not made under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By: **CITY & LAND DEVELOPERS, INCORPORATED**

Date: MAY 15, 2023	Date: MAY 15, 2023
Josef C. Gohoc	Rudy Go
President / Director	*Senior Vice President / Compliance Officer*

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF FINANCIAL POSITION

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱83,007,286**	₱103,049,854
Short-term investments (Note 4)	**538,000,000**	399,500,000
Current portion of:		
Installment contracts receivable (Note 5)	**653,659**	4,620,625
Contract assets (Note 5)	**53,740,807**	126,730,693
Other receivables (Note 6)	**15,742,798**	20,485,651
Real estate properties for sale (Note 8)	**1,498,325,913**	1,394,385,073
Other current assets (Note 10)	**8,315,295**	30,547,346
Total Current Assets	**2,197,785,758**	2,079,319,242
Noncurrent Assets		
Contract assets - net of current portion (Note 5)	**567,051,567**	641,494,291
Other receivables - net of current portion (Note 6)	**674,788**	599,826
Financial assets at fair value through other comprehensive income (FVOCI) (Note 7)	**518,540**	528,610
Investment properties (Note 9)	**181,139,332**	181,139,332
Retirement benefit assets (Note 20)	**1,232,592**	1,232,592
Other noncurrent assets (Note 10)	**74,540,162**	65,318,529
Total Noncurrent Assets	**825,156,981**	890,313,180
TOTAL ASSETS	**₱3,022,942,739**	₱2,969,632,422

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 11)	**₱158,974,392**	₱106,246,822
Income tax payable	**4,886,364**	13,315,917
Total Current Liabilities	**163,860,756**	119,562,739
Noncurrent Liabilities		
Accounts payable and accrued expenses - net of current portion (Note 11)	**57,914,857**	77,325,787
Deferred income tax liabilities - net (Note 21)	**14,886,795**	19,637,281
Total Noncurrent Liabilities	**72,801,652**	96,963,068
TOTAL LIABILITIES	**₱236,662,408**	₱216,525,807

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF FINANCIAL POSITION

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Equity		
Capital stock - ₱1.00 par value (Note 14)		
Authorized - 1,715,000,000 shares		
Issued - 1,503,374,202 shares held by 744 equity holders as of March 31, 2023 and 745 equity holders as of December 31, 2022	**₱1,503,374,202**	₱1,503,374,202
Additional paid-in capital	**105,136**	105,136
Unrealized fair value changes on financial assets at fair value through other comprehensive income (FVOCI) (Note 7)	**422,705**	432,775
Accumulated re-measurement loss on defined benefit plans - net of deferred income tax effect	**(3,227,453)**	(3,227,453)
Retained earnings	**1,285,605,741**	1,252,421,955
TOTAL EQUITY	**2,786,280,331**	2,753,106,615
TOTAL LIABILITIES AND EQUITY	**₱3,022,942,739**	₱2,969,632,422

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF INCOME

	UNAUDITED	
	For the 3-month ended March 31, 2023	For the 3-month ended March 31, 2022
REVENUES AND INCOME		
Sales of real estate properties (Note 5)	**₱105,723,805**	₱288,224,723
Financial income (Note 15)	**33,037,332**	18,215,681
Rent income (Note 9)	**2,519,104**	952,635
Other income - net (Note 16)	**612,683**	1,129,894
	141,892,924	308,522,933
COSTS AND EXPENSES		
Costs of real estate sales (Note 8)	**47,540,824**	148,158,645
Operating expenses (Note 17)	**52,962,557**	47,457,355
Financial expenses (Note 19)	**185,950**	45,550
	100,689,331	195,661,550
INCOME BEFORE INCOME TAX	**41,203,593**	112,861,383
PROVISION FOR INCOME TAX (Note 21)	**8,019,807**	27,256,107
NET INCOME	**₱33,183,786**	₱85,605,276
BASIC/DILUTED EARNINGS PER SHARE (Note 22)	**₱0.02**	₱0.06

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME

	UNAUDITED	
	For the 3-month ended March 31, 2023	For the 3-month ended March 31, 2022
NET INCOME	**₱33,183,786**	₱85,605,276
OTHER COMPREHENSIVE INCOME		
Not to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at FVOCI (Note 7)	**(10,070)**	(193,471)
TOTAL COMPREHENSIVE INCOME	**₱33,173,716**	₱85,411,805
BASIC/DILUTED EARNINGS PER SHARE (Note 22)	**₱0.02**	₱0.06

See accompanying Notes to Financial Statements.

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF CHANGES IN EQUITY

	Capital stock (Note 14)	Additional Paid in Capital	Unrealized fair value changes on Financial Assets at FVOCI (Note 7)	Accumulated re-measurement on defined benefit plan	Retained earnings	Total
BALANCES AT JANUARY 1, 2023	**₱1,503,374,202**	**₱105,136**	**₱432,775**	**(₱3,227,453)**	**₱1,252,421,955**	**₱2,753,106,615**
Net income	**–**	**–**	**–**	**–**	**33,183,786**	**33,183,786**
Other comprehensive loss	**–**	**–**	**(10,070)**	**–**	**–**	**(10,070)**
Total comprehensive income (loss)	**–**	**–**	**(10,070)**	**–**	**33,183,786**	**33,173,716**
BALANCES AT MARCH 31, 2023	**₱1,503,374,202**	**₱105,136**	**₱422,705**	**(₱3,227,453)**	**₱1,285,605,741**	**₱2,786,280,331**

	Capital stock (Note 14)	Additional Paid in Capital	Unrealized fair value changes on Financial Assets at FVOCI (Note 7)	Accumulated re-measurement on defined benefit plan	Retained earnings	Total
BALANCES AT JANUARY 1, 2022	₱1,431,785,284	₱105,136	₱532,911	(₱4,551,369)	₱957,145,385	₱2,385,017,347
Net income	–	–	–	–	85,605,276	85,605,276
Other comprehensive loss	–	–	(193,471)	–	–	(193,471)
Total comprehensive income (loss)	–	–	(193,471)		85,605,276	85,412,805
BALANCES AT MARCH 31, 2022	₱1,431,785,284	₱105,136	₱339,440	(₱4,551,369)	₱1,042,750,661	₱2,470,429,152

CITY & LAND DEVELOPERS, INCORPORATED
STATEMENTS OF CASH FLOWS

	UNAUDITED	
	As of March 31, 2023	As of March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	**₱41,203,593**	₱112,861,383
Adjustments for:		
Interest income (Note 15)	**(33,037,332)**	(18,215,681)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Real estate properties for sale (Note 8)	**(103,940,840)**	91,264,072
Contract assets (Note 5)	**159,825,266**	(118,661,018)
Installment contracts receivable (Note 5)	**(8,425,690)**	1,862,970
Other receivables (Note 6)	**5,284,696**	(438,126)
Real estate properties for future development (Note 8)	–	(1,900)
Cost to obtain contracts (Note 5)	–	665,473
Other assets (Note 10)	**13,010,418**	661,795
Increase (decrease) in:		
Contract liabilities (Note 5)	–	(21,175,518)
Accounts payable and accrued expenses (Note 11)	**33,322,517**	32,362,740
Cash from (used in) operations	**107,242,628**	81,186,190
Interest received	**32,420,528**	18,178,656
Income taxes paid, including prepaid tax	**(21,199,845)**	(13,513,884)
Net cash flows from operating activities	**118,463,311**	85,850,962
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from matured (Purchase of) short-term investment	**(138,500,000)**	(145,000,000)
Net cash from (used in) investing activities	**(138,500,000)**	(145,000,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(5,879)**	(1,719)
Net cash flows used in financing activities	**(5,879)**	(1,719)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(20,042,568)**	(59,150,757)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**103,049,854**	211,011,889
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note 4)	**₱83,007,286**	₱151,861,132

CITY & LAND DEVELOPERS, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

On May 12, 2023, the Audit and Risk Committee approved and authorized the issuance of the Company's unaudited financial statements as of and for the period ended March 31, 2023.

2. Summary of Significant Accounting and Financial Reporting Policies

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

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

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

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

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

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

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

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective on January 1, 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates, and Errors, Definition of Accounting Estimates*

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

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

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

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

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

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

  The amendments are not expected to have a material impact on the Company.

<u>Current versus Noncurrent Classification</u>
The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition, and are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are investments with maturities of more than three months but not exceeding one year from dates of acquisition.

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

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

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

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

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

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

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

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

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

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

a. *Financial assets*

Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and fair value through profit or loss.

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

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

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

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

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

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

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

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

Financial assets at FVOCI (debt instruments)
The Company measures debt instruments at FVOCI if both of the following conditions are met:

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

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

The Company has no debt instruments at FVOCI.

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Financial assets at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category (Note 7).

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

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

The Company has no financial assets at fair value through profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company's financial liabilities include accounts payable and accrued expenses.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

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

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

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

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

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

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

<u>Real Estate Properties for Sale and Real Estate Properties Held for Future Development</u>
Property acquired or being constructed for sale in the ordinary course of business and held for future development, rather than to be held for rental or capital appreciation, is classified as real estate properties for sale and real estate properties held for future development and are measured at the lower of cost and net realizable value (NRV).
Cost includes:

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

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

Upon commencement of development, the real estate properties held for future development is transferred to real estate properties for sale.

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

Investment Properties

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

Subsequent to initial measurement, investment properties, except land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

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

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

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

Impairment of Nonfinancial Assets

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

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

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

Value-added Tax (VAT)

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

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

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

Capital Stock

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

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

Retained Earnings

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

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

Dividend Distributions

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

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

Treasury shares

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

Revenue Recognition

Revenue from Contracts with Customers

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

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

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

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

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

Any excess of progress of work over the right to an amount of consideration is recognized as installment contract receivables (unconditional) or contract asset (conditional) in the asset section of the statement of financial position.

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

Cost recognition
The Company recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

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

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

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

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

The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced.

Costs to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. The Company has determined that commissions paid to sales personnel on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Operating expenses” account in the statement of income.

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

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

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

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

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

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

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

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

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

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

Operating expenses
Operating expenses constitute costs of administering the business. These costs are expensed as incurred.

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

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

Other income - net
Net other income pertains mainly to the gain or loss arising from forfeiture or cancellation of prior years' real estate sales arising from the difference between the outstanding balance of receivables and the original cost of the inventories.

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

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

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

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

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

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the statement of comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are earned by the employees. The undiscounted liability for leave expected to be settled within 12 months after the end of the reporting period is recognized for services rendered by employees up to the end of the reporting period. Accumulating leave credits which can be utilized anytime when needed or converted to cash upon employee separation (i.e., resignation or retirement) are presented at its discounted amount as “Accounts payable and accrued expenses - noncurrent portion” account in the statement of financial position.

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

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

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

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

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

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

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

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

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

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

Other Comprehensive Income

Other comprehensive income comprises items of income and expense that are not recognized in the statement of income in accordance with PFRSs. Other comprehensive income of the Company includes gains and losses on fair value changes of financial assets/available-for-sale financial assets, remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability).

Earnings Per Share

Basic earnings per share is computed by dividing the net income for the year by the weighted average number of ordinary shares issued and outstanding after considering the retrospective effect, if any, of stock dividends declared during the year.

Diluted earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares, and adjusted for the effects of all dilutive potential common shares, if any. In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retrospectively.

Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 24 in the financial statements. The Company's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Events After the Reporting Period

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2024

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

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

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company has no existing loan agreements as of March 31, 2023 and December 31, 2022.

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

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

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

As of March 31, 2023 and December 31, 2022, the Company has no sale and leaseback transactions.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

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

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

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

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

Deferred effectivity

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

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

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The amendments will not have a significant impact on the Company's financial statements.

3. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

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

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

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

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

- *Identifying performance obligation*
The Company has various contracts to sell covering its sale of condominium units and other real estate properties. The Company concluded that there is one performance obligation in each of these contracts. For the contract covering condominium unit, the developer has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. For the sale of real estate properties such as raw land, the Company integrates certain activities to the said property to be able to deliver the property based on the contract with the buyer. Included also in this performance obligation is the Company's service to transfer the title of the real estate unit to the customer.

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

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

Distinction between investment properties and owner-occupied properties
The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used for administrative purposes.

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

Investment properties amounted to ₱181.14 million as of March 31, 2023 and December 31, 2022 (see Note 9).

Distinction between real estate properties for sale and investment properties
The Company determines whether a property is classified as for sale, for lease or for capital appreciation.

Real estate properties which the Company develops and intends to sell on or before completion of construction are classified as real estate properties for sale. Real estate properties for sale amounted to ₱1,498.33 million and ₱1,394.39 million as of March 31, 2023 and December 31, 2022, respectively (see Note 8). Real estate properties which are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment properties. Investment properties amounted to ₱181.14 million as of March 31, 2023 and December 31, 2022 (see Note 9).

Distinction between real estate properties for sale and held for future development
The Company determines whether a property will be classified as real estate properties for sale or held for future development. In making this judgment, the Company considers whether the property will be sold in the normal operating cycle (real estate properties for sale) or whether it will be retained as part of the Company's strategic land banking activities for development or sale in the medium or long-term (real estate properties held for future development). Real estate properties for sale amounted to₱1,498.33 million and ₱1,394.39 million as of March 31, 2023 and December 31, 2022, respectively (see Note 8). Real estate properties held for future development amounted to nil as of March 31, 2023 and December 31, 2022, respectively (see Note 8).

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

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

Determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates
In accordance with Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*, the Company has assessed whether it has any uncertain tax position. The Company applies significant judgement in identifying uncertainties over its income tax treatments.

Estimates

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

Revenue recognition method and measure of progress

The measurement of progress for revenue recognition requires management to make use of estimates and assumptions. The Company's real estate sales is based on the percentage-of-completion (POC) method measured principally on the basis of total actual cost of resources consumed such as materials, labor hours expended and actual overhead incurred over the total estimated development cost of the project. Estimated development costs of the project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. The estimated development cost is prepared by the Company's project engineers and are independently reviewed by the Company's third-party independent project engineers. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Estimation of POC of real estate projects

The Company estimates the POC of ongoing projects for purposes of accounting for the estimated costs of development as well as revenue to be recognized. Actual costs of development could differ from these estimates. Such estimates will be adjusted accordingly when the effects become reasonably determinable. The POC is based on the technical evaluation of the independent project engineers as well as management's monitoring of the costs, progress and improvements of the projects. Gross profit on sales of real estate properties amounted to ₱58.18 million and ₱140.07 million in March 23, 2023 and 2022, respectively.

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

The Company uses a provision matrix to calculate ECLs for installment contract receivables and contract assets. The provision rates are based on past collection history and other factors, which include, but are not limited to the length of the Company's relationship with the buyer, the buyer's payment behavior, known market factors that affect the collectability of the accounts.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as the inflation rate, gross domestic product, interest rate and unemployment rate. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions such as inflation rate, gross domestic product, interest rate and unemployment rate and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of buyer's actual default in the future. The information about the ECLs on the Company's installment contract receivables and contract assets is disclosed in Note 23. As of March 31, 2023 and December 31, 2022, installment contracts receivable, contract assets and other receivables aggregated to ₱637.86 million and ₱793.93 million, respectively. There was no provision for expected credit loss on receivables as of March 31, 2023 and December 31, 2022.

Revenue and cost recognition

The Company's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amount of revenue and cost. The Company's revenue from real estate properties based on the POC is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Gross profit on sales of real estate properties amounted to ₱58.18 million and ₱140.07 million as of March 31, 2023 and 2022, respectively.

Determination of net realizable value of real estate properties for sale and held for future development

The Company's estimates of the net realizable value of real estate properties for sale and held for future development are based on the most reliable evidence available at the time the estimates are made, or the amount that the real estate properties for sale and held for future development are expected to be realized.

These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the period. A new assessment is made of net realizable value in each subsequent period. When the circumstances that previously caused the real estate properties for sale and held for future development to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. The Company's real estate properties for sale amounted to ₱1,498.33 million and ₱1,394.39 million as of March 31, 2023 and December 31, 2022, respectively (see Note 8). Real estate properties held for future development amounted to nil as of March 31, 2023 and December 31, 2022, respectively (see Note 8).

Determination of the fair value of investment properties
The Company discloses the fair values of its investment properties in accordance with PAS 40, *Investment Property.* The Company engaged SEC-accredited independent valuation specialists to determine the fair value as of December 31, 2022 and 2021. The Company's investment properties consist of land and building pertaining to commercial properties. These are valued by reference to sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use. Another method used in determining the fair value of land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others (see Note 23).

Determination of impairment indicators on investment properties
The Company determines whether its nonfinancial assets such as investment properties are impaired when impairment indicators exist such as significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. When an impairment indicator is noted, the Company makes an estimation of the value-in-use of the cash-generating units to which the assets belong. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. No impairment indicator was noted as of March 31, 2023, December 31, 2022 and 2021. Net book values of investment properties as of March 31, 2023 and December 31, 2022 amounted to ₱181.14 million (see Note 9).

Estimation of retirement benefits cost
The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the PDEX PDST-R2 rates at various tenors, rates for intermediate durations were interpolated and the rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate.

Recognition of deferred income tax assets
The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized.

4. Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents consist of:

	March 31, 2023	December 31, 2022
Cash on hand and in banks	**₱15,539,170**	₱20,581,738
Cash equivalents	**67,468,116**	82,468,116
	₱83,007,286	₱103,049,854

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

Short-term investments consist of:

	March 31, 2023	December 31, 2022
Short-term cash investments	**₱538,000,000**	₱385,500,000
Short-term bond investments	–	14,000,000
	₱538,000,000	₱399,500,000

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

Interest income earned from cash in banks, cash equivalents and short-term investments amounted to ₱7.71 million and ₱1.52 million as of March 31, 2023 and March 31, 2022, respectively (see Note 15).

5. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

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

Type of Product	March 31, 2023	March 31, 2022
High rise condominium units	**₱79,616,662**	₱282,506,829
Parking slots and others	**26,107,143**	5,717,894
Total	**₱105,723,805**	₱288,224,723

Real estate sales of the Company for the quarter ended March 31, 2023 and 2022 pertain to sale of properties within Metro Manila. All of the Company's real estate sales are revenue from contracts with customers recognized over time. Sales for real estate properties and rental income arose from contracts with external customers. There were no intercompany sales/transactions made on the said quarters.

Contract Balances

	March 31, 2023	December 31, 2022
Installment contracts receivable	**₱653,659**	₱4,620,625
Contract assets		
Current	**53,740,807**	126,730,693
Noncurrent	**567,051,567**	641,494,291

Installment contracts receivable arise from sales of real estate properties and are collectible in monthly installments for periods ranging from one (1) to 10 years which bears monthly interest rates of 0.92% to 1.50% in March 31, 2023 and December 31, 2022 computed on the diminishing balance.

The Company, CI and CDC (collectively known as the Group) entered into a contract of guaranty under Retail Guaranty Line with Philippine Guarantee Corporation (PHILGUARANTEE). The amount of installment contracts receivable enrolled and renewed by the Company amounted to ₱298.00 million and ₱307.00 million as of March 31, 2023 and December 31, 2022, respectively. The Company paid a guaranty premium of 1.00% based on the outstanding principal balances of the receivables enrolled (see Note 17).

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

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

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

Interest income earned from installment contracts receivable and contract assets amounted to ₱24.70 million and ₱16.70 million as of March 31, 2023 and March 31, 2022, respectively (see Note 15).

b. *Performance Obligations*

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

Real estate sales
The Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

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

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the buyer. The financing scheme would include down payment of generally 5% to 10% of the contract price with the remaining balance payable through in-house financing which ranges from one (1) month to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the buyer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

In order to cope with the current trend in the real estate industry, the Company offered to customers the "installment down payment" scheme starting 2020 wherein certain projects were offered with 18 to 24 months to pay the corresponding down payment. The new scheme introduced by the Company resulted to sales with percentage of collection lower than 10%. The Company records these collections as "Customers' deposits" under "Accounts Payable and Accrued Expenses" account in the statements of financial position.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at March 31, 2023 and December 31, 2022 amounted to nil. The Company has completed its One Taft Residences project last May 2022. As of March 31, 2023, the Company's newly-launched project, One Hidalgo, has not reached the preliminary stage of completion yet. Thus, collections from the said project are recorded as "Customers' deposits" under the "Accounts Payable and Accrued Expenses" account in the statements of financial position.

The performance obligations expected to be recognized within one year relate to the continuous development of the Company's real estate projects. As of March 31, 2023 and December 31, 2022, there is no remaining performance obligations expected to be recognized within one year and in more than one year since the Company's real estate projects, except its newly-launched project – One Hidalgo, are already completed. Contract liabilities as a result of sale from One Hidalgo shall be recognized once the project has reached the preliminary stage of completion (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished). The Company's condominium units are generally completed within three to five years from start of construction

c. *Cost to obtain contract*

The cost to obtain contracts as of March 31, 2023 and December 31, 2022 amounted to nil. The Company's ongoing project, One Hidalgo, has not yet reached its preliminary stage of completion. Thus, no gross profit was realized on the sales of real estate properties from the said project.

6. Other Receivables

Other receivables consist of:

	March 31,2023	December 31, 2022
Advances to customers	**₱8,609,607**	₱13,324,992
Accrued interest (Note 13)	**4,558,019**	3,317,357
Advances to condominium corporations	**2,970,748**	3,315,361
Rent receivable	**98,531**	133,347
Retention	**90,000**	10,000
Due from related parties (Note 13)	**16,952**	848,018
Others	**73,729**	136,402
	16,417,586	21,085,477
Less noncurrent portion	**674,788**	599,826
Current portion	**₱15,742,798**	₱20,485,651

Advances to customers are receivables of the Company for the real estate property taxes of sold condominium units and expenses relating to the transfer of titles initially paid by the Company. Accrued interest pertains to interest income earned as of the reporting period but not yet received by the Company. Advances to condominium corporations pertain to disbursements which are collectible from condominium corporations while advances to customers are receivables of the Company for the real estate property taxes of sold condominium units initially paid by the Company. Rent receivable arose from the investment properties rented-out under non-cancellable long-term operating lease contracts (see Note 9). Retention pertains to the amount held on cash sale of real estate properties. Due from related parties pertains to the amount of receivables to be collected from related parties where one party can exercise control or significant influence over another party. Other receivables include other expenses initially paid by the Company on behalf of the customers and employees' advances.

7. Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at FVOCI consist of investments in quoted equity securities amounting to ₱0.52 million and ₱0.53 million as of March 31, 2023 and December 31, 2022, respectively in which the fair values were determined based on published prices in the active market.

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

	March 31, 2023	December 31, 2022
Balances at beginning of period/year	**₱432,775**	₱532,911
Changes in fair value	**(10,070)**	(100,136)
Balances at end of period/year	**₱422,705**	₱432,775

8. Real Estate Properties for Sale and Real Estate Properties Held for Future Development

Real estate properties for sale
Real estate properties for sale consists of cost incurred in the development of condominium units and residential houses for sale.

The movements of real estate properties for sale are as follows:

	March 31, 2023	December 31, 2022
Balances at beginning of period/year	**₱1,394,385,073**	₱1,150,096,752
Cost of real estate sales	**(47,540,824)**	(465,129,606)
Transfers from real estate properties held for future development	**–**	520,365,571
Construction/development costs incurred	**151,809,817**	174,075,708
Other adjustments - net	**(328,153)**	14,976,648
Balances at end of period/year	**₱1,498,325,913**	₱1,394,385,073

Real estate properties for sale account includes capitalized borrowing costs incurred during each period in connection with the development of the properties. No interest was capitalized as of March 31, 2023 and December 31, 2022.

Other adjustments include realized deemed cost adjustment and the recognition of repossessed real estate properties measured at fair value less cost to sell at the date of repossession.

Real estate properties held for future development
Real estate properties held for future development include land properties reserved by the Company for its future condominium projects. As of March 31, 2023 and December 31, 2022, the Company has no real estate properties held for future development.

9. Investment Properties

Investment properties as of March 31, 2023 and December 31, 2022 represent the real estate properties for lease which consist of:

Land - at cost	
Balances at beginning and end of period/year	₱181,139,332
Building - at cost	
Cost	
Balances at beginning and end of period/year	814,458
Accumulated Depreciation	
Balances at beginning and end of period/year	(814,458)
Net book value	–
Total net book values	₱181,139,332

The net book value of land includes deemed cost adjustment amounting to ₱12.67 million as of March 31, 2023 and December 31, 2022. The deemed cost adjustment arose when the Company transitioned to PFRSs in 2005.

Rent income from real estate properties for lease amounted to ₱2.52 million and ₱0.95 million as of March 31, 2023 and March 31, 2022, respectively.

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

The Company has an existing non-cancellable operating lease contract with a domestic corporation which commenced in July 2018 with a lease term of five (5) years. During the 1st quarter of 2023, the Company entered into a new lease transaction with a domestic corporation with a lease term of five (5) years.

In 2021, the Company granted lease concessions to its lessee resulting to modifications in the lease contract. The Company accounted the modification to operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. No lease concessions were provided in 2022.

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

	March 31, 2023	December 31, 2022
Not later than one year	**₱502,339**	₱526,849
Later than one year and not later than five years	**2,662,030**	–
Later than five years	**–**	–
	₱3,164,369	₱526,849

Rental agreements

The Company entered into lease agreements for its office spaces and condominium units for lease with the following identified performance obligations: (a) lease of space; and (b) provisioning of water and electricity. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. The tenant is required to issue post-dated check on the monthly rental payments. In case of delay in payments, a penalty of about 4% per annum is charged for the amount due for the duration of delay. The lease arrangement for the Company's long-term lease transactions would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

10. **Other Assets**

Other current assets consist of prepaid expenses, input VAT and advances to contractors amounting to ₱8.32 million and ₱30.55 million as of March 31, 2023 and December 31, 2022, respectively.

Other noncurrent assets consist of:

	March 31, 2023	December 31, 2022
Guaranty deposit	**₱62,999,438**	₱62,999,438
Rental deposits	**8,975,262**	–
Utility deposits	**1,854,584**	1,355,649
Others	**710,878**	963,442
	₱74,540,162	₱65,318,529

Guaranty deposit pertains to placement made by Credit & Land Holdings, Inc. (CLHI), an affiliate of the Company, in favor of the Housing and Land Use Regulatory Board (HLURB) wherein the Company is required to secure a cash bond in relation to the construction and development of its ongoing project (see Note 21). The said deposit was placed by CLHI with a financial institution. Interest income earned from guaranty deposits amounted to ₱0.62 million and ₱1.75 million as of March 31, 2023 and December 31, 2022, respectively.

Utility deposits pertain to water and electricity deposits by the Company. Rental deposits and others pertain to deposits from lease contracts and advances made by the Company for the contractors' supply requirements.

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	March 31, 2023	December 31, 2022
Trade payables	**₱61,611,952**	₱81,769,226
Customers' deposits	**58,749,357**	5,694,407
Accrued expenses:		
Development costs	**45,299,246**	61,816,511
Directors' fee (Note 13)	**17,526,410**	16,236,714
Sick leave	**7,306,527**	7,306,527
Due to related parties (Note 13)	**16,398,972**	72,429
Dividends payable	**3,495,305**	3,501,184
Withholding taxes payable	**1,030,181**	5,004,530
Others	**5,471,299**	2,171,081
	216,889,249	183,572,609
Less noncurrent portion	**57,914,857**	77,325,787
Current portion	**₱158,974,392**	₱106,246,822

Trade payables consist of payables to suppliers, contractors and other counterparties. Accrued expenses represent various accruals of the Company for its expenses and real estate projects. Accrued development costs represent the corresponding accrued expenses for the completed condominium units of the Company. Customers' deposits include collections from sales of the Company's newly-launched project, One Hidalgo, which has not yet reached the preliminary stage of percentage of completion and collections pertaining to sales transactions with percentage of collection of below 10%. The account also consists of customers' reservation fees, rental deposits and collected deposits for water and electric meters of the sold units and security deposits made by the lessees on the Company's properties for lease which is typically equivalent to three (3) months rental. Other payables pertain to deferred rent income, commissions from sales transactions and employees' payable.

12. Notes Payable

In 2023 and 2022, the Company no longer applied for a new Certificate of Permit to Offer Securities for Sale. No interest expense was incurred as of March 31, 2023 and December 31, 2022.

The Company, CI, CDC and Cityplans, Incorporated (the Group) have credit lines with financial institutions aggregating to about ₱2.30 billion as of March 31, 2023 and December 31, 2022, which are available for drawing by any of the companies within the Group. No loans were availed by the Group from the credit line as of March 31, 2023 and December 31, 2022.

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

The carrying values of CDC's investment properties and real estate properties for sale amounting to ₱146.67 million and ₱50.48 million, respectively, can be used as collaterals for the Group's credit lines.

13. Related Party Transactions

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

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

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

a. In 2016, the Company sold condominium units of an on-going real estate project to CPI with a contract price amounting to ₱19.42 million (realized as revenue based on percentage of completion). The One Taft Residences project was completed in May 2022 and as such the condominium units were turned over to CPI in 2022.

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

c. The Company has no standard arrangements with regard to remuneration of its directors. Moreover, the Company has no standard arrangement with regard to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. The Company does not have any arrangements for stock warrants or options offered to its employees.

d. The Company, jointly with affiliated companies under common control, has a trust fund for the retirement plan of their employees. The trust fund is being maintained by a third-party trustee bank under the supervision of the Retirement Committee of the Group who is responsible for the investment strategy of the plan.

e. In 2022, the Company through its affiliate - Credit and Land Holdings, Inc. (CLHI), issued a cash bond amounting to ₱62.99 million in favor of HLURB in relation to the construction and development of its future ongoing projects which was recorded as guaranty deposit under “Other noncurrent assets” (see Note 10). The said amount was placed by CLHI to a financial institution with a maturity of three (3) years. Interest income earned amounted to ₱0.62 million and nil as of March 31, 2023 and March 31, 2022, respectively (see Note 15). Accrued interest amounting to ₱0.39 million as of March 31, 2023 and December 31, 2022, respectively was recorded under “Other receivables - accrued interest account in the statement of financial position (see Note 6).

f. Shares of stock of the Company held by members of the BOD aggregated to ₱40.21 million par value as of March 31, 2023 and December 31, 2022.

g. Refer to succeeding pages for the transactions and account balances with related partie

	Amount of transactions		Outstanding Balances: Receivable (Note 6)		Outstanding Balances: Payable (Note 11)		
Nature of Transaction	**March 31, 2023**	December 31, 2022	**March 31, 2023**	December 31, 2022	**March 31, 2023**	December 31, 2022	Term and Conditions
Ultimate Parent Company (CI)							
Sharing of expenses charged by (to) the Company (Note 13b)	**(₱3,867,688)**	₱4,813,502	**₱–**	₱–	**₱3,940,117**	₱72,429	30-day, unsecured, non-interest bearing; to be settled in cash
Parent Company (CDC)							
Sharing of expenses charged by (to) the Company (Note 13b)	**(12,458,855)**	(9,303,458)	**–**	823,316	**12,458,855**	–	30-day, unsecured, non-interest bearing; to be received or settled in cash
Affiliate (CPI)							
Sharing of expenses charged by (to) the Company (Note 13b)	**2,750**	19,585	**16,952**	19,702	–	–	30-day, unsecured, non-interest bearing; to be received or settled in cash
Affiliate (CLHI)							
Interest income from guaranty deposits (e)	**623,857**	1,754,597	**389,911**	389,911	–	–	Settled in cash
Directors	–	–	–	–	**17,526,410**	4,848,371	Settled in cash

14. **Equity**

The following table summarizes the authorized and outstanding shares of capital stock as of March 31, 2023 and December 31, 2022:

Authorized common stock - ₱1 par value	
Balance at beginning and end of period/year	1,715,000,000
Issued and outstanding	
Beginning of period/ year	1,503,374,202
Stock dividends	–
End of period/year	1,503,374,202

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

a. Declaration of Five Percent (5%) stock dividend;
b. Increase in authorized capital stock from 1,435,000,000 shares to 1,715,000,000 shares with par value of Php1.00 per share; and
c. To cause the amendment of the Articles of Incorporation to increase the authorized capital stock to 1,715,000,000 shares with par value of Php1.00 per share.

On July 29, 2022, the Company received the approval from SEC regarding the Company's application for increase in authorized capital stock. Further, the SEC resolved to authorize the issuance of 71,589,265 shares with par value of ₱1.00 per share to cover the 5% stock dividends declared by the Board of Directors on April 26, 2021 and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock on June 8, 2021 and the issuance of shares of stock to stockholders of record as of August 30, 2022. The said stock dividends were distributed to stockholders on September 23, 2022.

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

Dividends	Board Approval Date	Stockholders' Approval Date	Per Share	Stockholders of Record Date	Date Issued/Paid
Cash	June 8, 2022	–	₱0.0317	June 22, 2022	July 8, 2022
	June 4, 2021	–	0.01392	July 2, 2021	July 28, 2021
Stock	April 26, 2021	June 8, 2021	5.00%	August 30, 2022	September 23, 2022

**No stock dividend declared in 2022.*

Fractional shares of stock dividends were paid in cash by the Company to its shareholders based on the par value. The SEC resolved to authorize the issuance of shares of stockholders of record as of August 30, 2022. The payment date of the said stock dividends was last September 23, 2022.

On April 28, 2023, the Board of Directors approved the declaration of 5.0% stock dividends with record date of July 13, 2023 and to be distributed on August 8, 2023. The said stock dividend declaration shall be presented for approval during the Annual Stockholders' Meeting on June 13, 2023.

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

In accordance with the rule on Minimum Public Ownership issued by the Philippine Stock Exchange (PSE) requiring listed companies to maintain a 10% public float at all times, the total number of shares owned by the public as of March 31, 2023 and December 31, 2022 are 248,754,127 shares which are approximately 16.55% of the total number issued and outstanding shares of the Company.

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

After listing in 1999, there had been subsequent issuances covering a total of 1,503,374,202 shares.

Below is the summary of the Company's track record of registration of securities with the SEC and PSE as at March 31, 2023:

	Number of Shares Registered	Number of holders of securities as of yearend
December 31, 2021	1,431,785,284	746
Add/(Deduct) Movement	71,588,918	(1)
December 31, 2022	1,503,374,202	745
Add/(Deduct) Movement	–	(2)
March 31, 2023	**1,503,374,202**	**744**

15. **Financial Income**

	March 31, 2023	March 31, 2022
Interest income from:		
Installment contracts receivable and contract assets (Note 5)	**₱24,704,452**	₱16,695,264
Guaranty deposit	**623,857**	–
Cash and cash equivalents and short-term investments (Note 4)	**7,709,023**	1,520,417
	₱33,037,332	₱18,215,681

16. **Other Income - Net**

Other income - net amounting to ₱0.61 million and ₱1.13 million as of March 31, 2023 and 2022, respectively, pertains to gain or loss arising from revaluation of repossessed units at fair market value less cost to sell. penalties for buyers' late payments, sale of scraps, and net gains or losses on forfeiture/cancellation of sales.

17. **Operating Expenses**

	March 31, 2023	March 31, 2022
Personnel (Note 18)	**₱25,665,418**	₱27,857,882
Taxes and licenses	**14,245,190**	10,480,384
Professional fees	**3,243,718**	4,440,361
Brokers' commission	**3,108,055**	1,313,388
Membership and association dues	**1,614,421**	279,881
Outside services	**1,040,766**	544,064
Repairs and maintenance	**672,154**	427,181
Rent expense	**619,257**	534,119
Power, light and water	**451,202**	348,407
Postage, telephone and telegraph	**291,615**	301,667
Transportation	**234,499**	108,686
Insurance expense (Note 5)	**194,428**	281,885
Advertising and promotions	**166,839**	72,686
Stationery and office supplies	**29,021**	6,792
Others	**1,385,974**	459,972
	₱52,962,557	₱47,457,355

18. **Personnel Expenses**

	March 31, 2023	March 31, 2022
Salaries and wages	**₱13,525,710**	₱11,762,095
Commissions	**4,685,727**	9,268,249
Other employee benefits	**7,453,981**	6,827,538
	₱25,665,418	₱27,857,882

Other employee benefits include performance and incentive bonus.

19 Financial Expense

Financial expense amounting to ₱185,950 and ₱45,550 as of March 31, 2023 and 2022, respectively pertains to finance charges.

20. Retirement Plan

Under the existing regulatory framework, Republic Act No. 7641, The Philippine Retirement Pay Law, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however, that the employees retirement benefit under the collective bargaining and other agreements shall not be less than provided under the law. The law does not require minimum funding of the plan.

Retirement benefits cost

The Company, jointly with affiliated companies, has a funded, noncontributory defined benefit retirement plan, covering all of its permanent employees. This provides for payment of benefits to covered employees upon retirement subject to certain condition which is based on a certain percentage of the employee's final monthly salary and the number of years of service.

The fund is administered by a third-party trustee bank under the supervision of the Retirement Committee of the plan who is responsible for the investment strategy of the plan.

21. Income Taxes

Provision for (benefit from) income tax consists of:

	March 31, 2023	March 31, 2022
Current	**₱11,228,440**	₱22,435,623
Deferred	**(4,750,486)**	4,516,401
Final tax on interest income	**1,541,853**	304,083
	₱8,019,807	₱27,256,107

Deferred income tax liabilities - net consists of the following:

	March 31, 2023	December 31, 2022
Deferred income tax assets:		
Accrued expenses	**₱6,606,030**	₱5,885,810
Unamortized past service cost	**681,935**	681,935
Unearned revenue	**129,100**	98,375
	7,417,065	6,666,120
Deferred income tax liabilities:		
Difference between tax basis and book basis of accounting for real estate transactions	**(16,846,292)**	(20,776,406)
Deemed cost adjustment in real estate properties	**(4,223,349)**	(4,223,349)
Capitalized borrowing costs	**(926,071)**	(995,498)
Accumulated excess contributions over retirement benefits cost	**(1,383,966)**	(1,383,966)
	(23,379,678)	(27,379,219)
	(15,962,613)	(20,713,099)
Deferred income tax asset recognized in other comprehensive income - actuarial loss on defined benefit plan	**1,075,818**	1,075,818
Deferred income tax liabilities - net	**(14,886,795)**	(₱19,637,281)

On March 26, 2021, the President of the Philippines signed into law Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which took effect on April 11, 2021. The CREATE Act introduces reforms to the corporate income tax and incentive systems by implementing changes to the current tax regulations. Some of these changes, which became effective beginning July 1, 2020, are as follows:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT rate from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

22. Basic/Diluted Earnings Per Share

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

	March 31, 2023	March 31, 2022
a. Net income	**₱33,183,786**	₱85,605,276
b. Weighted average number of shares	**1,503,374,202**	1,431,785,284
c. Basic/diluted earnings per share (a/b)	**₱0.02**	₱0.24

The Company has no potential dilutive common shares as of March 31, 2023 and 2022. Thus, the basic and diluted earnings per share are the same as of those dates.

23. Financial Instruments and Fair Value Measurement

Financial Risk Management Objectives and Policies

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

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

The main risks arising from the Company's financial instruments are cash flow interest rate risks, credit risk, equity price risk and liquidity risk. The Board of Directors is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company and they are summarized as follows:

Market risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's notes payable, with repriced interest rates. However, as of March 31, 2023 and December 31, 2022, the Company has no outstanding notes payable.

The Company's policy in addressing volatility in interest rates includes maximizing the use of operating cash flows to be able to fulfill principal and interest obligations even in periods of rising interest rates.

There is no impact on the Company's equity other than those already affecting income before income tax.

Credit risk

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

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the objective that the Company's exposure to bad debts is not significant. The risk is further mitigated because the Company holds the title to the real estate properties with outstanding installment contracts receivable balance and the Company can repossess such real estate properties upon default of the customer in paying the outstanding balance. The Company's policy is to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk within the Company.

The tables below show the Company's exposure to credit risk for the components of the statements of financial position. The exposure as of March 31, 2023 is shown at gross, before taking the effect of mitigation through the use of collateral agreements and other credit enhancements, and the maximum exposure at net, after taking the effect of mitigation through the use of collateral agreements and other credit enhancements.

The following table summarizes the aging analysis of receivables and the credit quality of the receivables as of March 31, 2023:

	Gross maximum exposure	**Fair value of collaterals/credit enhancements**	**Net exposure**	**Financial effect of collaterals/credit Enhancements**
Financial assets at amortized cost:				
Cash and cash equivalents*	**₱82,988,669**	**₱–**	**₱82,988,669**	**₱–**
Short-term investments	**538,000,000**	**–**	**538,000,000**	**–**
Installment contracts receivable	**653,659**	**116,402,755**	**–**	**653,659**
Refundable deposits	**10,829,847**	**–**	**10,829,847**	**–**
Other receivables:				
Advances to customers	**8,609,607**	**–**	**8,609,607**	**–**
Accrued interest	**4,558,019**	**–**	**4,558,019**	**–**
Advances to condominium corporations	**2,970,748**	**–**	**2,970,748**	**–**
Rent receivable	**98,531**	**–**	**98,531**	
Retention	**90,000**	**–**	**90,000**	**–**
Due from related parties	**16,952**	**–**	**16,952**	
Others	**73,729**	**–**	**73,729**	**–**
Contract asset	**620,792,374**	**1,369,907,899**	**–**	**620,792,374**
Total credit risk exposure	**₱1,269,682,135**	**₱1,486,310,654**	**₱648,236,102**	**₱621,446,033**

** Excluding cash on hand amounting to ₱18,618.*

	Neither past due nor impaired			**Days past due**				
	Contract asset	**Current**	**> One Year**	**Less than 30 days**	**31-60 days**	**61-90 days**	**Over 90 days**	**Total**
Installment contracts receivable	**₱–**	**₱–**	**₱–**	**₱587,719**	**₱48,765**	**₱17,175**	**₱–**	**₱653,659**
Contract asset	**620,792,374**	–	–	–	–	–	–	**620,792,374**
Refundable deposits	–	**10,829,847**	–	–	–	–	–	**10,829,847**
Other receivables:								
Advances to customers	–	**8,447,715**	**161,892**	–	–	–	–	**8,609,607**
Accrued interest	–	**4,558,019**	–	–	–	–	–	**4,558,019**
Advances to condomium corporations	–	**2,381,287**	**589,461**	–	–	–	–	**2,970,748**
Rent receivable	–	**98,531**	–	–	–	–	–	**98,531**
Retention	–	**90,000**	–	–	–	–	–	**90,000**
Due from related parties	–	**16,952**	–	–	–	–	–	**16,952**
Others	–	**73,729**	–	–	–	–	–	**73,729**
	₱620,792,374	**₱26,496,080**	**₱751,353**	**₱587,719**	**₱48,765**	**₱17,175**	**₱–**	**₱648,693,466**

The table below shows the credit quality by class of asset for loan-related balance sheet lines as of March 31, 2023 based on the Company's credit rating system.

	Neither past due nor impaired		
	High Grade*	**Medium Grade****	**Total**
Financial assets at amortized cost:			
Cash and cash equivalents, excluding cash on hand	**₱82,988,669**	**₱–**	**₱82,988,669**
Short-term investments	**538,000,000**	**–**	**538,000,000**
Installment contracts receivable	–	**653,659**	**653,659**
Contract asset	–	**620,792,374**	**620,792,374**
Refundable deposits	–	**10,829,847**	**10,829,847**
Other receivables:			
Advances to customers	–	**8,609,607**	**8,609,607**
Accrued interest	**4,558,019**	**–**	**4,558,019**
Advances from condominium corporations	–	**2,970,748**	**2,970,748**
Rent receivable	**–**	**98,531**	**98,531**
Retention	–	**90,000**	**90,000**
Due from related parties	**–**	**16,952**	**16,952**
Others	–	**73,729**	**73,729**
	₱625,546,688	**₱644,135,447**	**₱1,269,682,135**

* *High Grade - financial assets with reputable counterparties and which management believes to be reasonably assured to be recoverable.*

** *Medium Grade - financial assets for which there is low risk on default of counterparties.*

The Company has performed an expected credit loss (ECL) calculation for its financial assets at amortized cost. The expected credit loss is a product of the probability of default, loss given default and exposure at default.

In determining the probability of default, the Company used historical default rates for the last five years for the installment sales from its buyers and last two years for other receivables. The Company applied the possible effects of macroeconomic factors to the historical loss rate. For loss given default, the Company determined the fair value less cost of repossession of collaterals upon default is higher than the exposure at default. Thus, no expected credit loss was recognized for the Company's installment contract receivables, contract assets and other receivables from its buyer.

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

The Company considers other receivables from third parties and related parties as medium grade. Third parties are primarily managed through screening based on credit history and financial information submitted. Whereas, related parties have low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Equity price risk

Equity price risk is the risk that the fair values of investments in equity securities will decrease as a result of changes in the market values of individual shares of stock. The Company is exposed to equity price risk because of investments held by the Company classified as financial assets at FVOCI in the statements of financial position. The Company employs the service of a third-party stockbroker to manage its investments in shares of stock.

A sensitivity analysis to a reasonable change in the equity price (with all other variables held constant) of 0.19 higher or lower, would increase or decrease the equity by ₱82,441.

Liquidity risk

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

The table below summarizes the maturity analysis of the Company's financial liabilities as of March 31, 2023:

	Up to One Year	Above One Year	Total
Accounts payable and accrued expenses *	**₱157,944,219**	**₱57,914,857**	**₱215,859,068**

** Excluding statutory liabilities amounting to ₱1,030,181.*

Fair Values

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

	Date of Valuation	Fair value Level 1	Level 2	Level 3
Assets measured at fair value				
Financial assets at FVOCI	March 31, 2023	**₱422,705**	**₱–**	**₱–**
Asset for which fair values are disclosed				
Investment properties	December 31, 2022	**–**	**–**	**1,575,423,000**

The following method and assumptions were used to estimate the fair value of each class of financial instruments and investment properties for which it is practicable to estimate such value:

Cash and cash equivalents, short-term investments, installment contracts receivable, other receivables, accounts payable and accrued expenses
Due to the short-term nature of the transactions, the fair values of cash and cash equivalents, short-term investments, other receivables, accounts payable and accrued expenses approximate their carrying amounts. The fair value of installment contracts receivable approximate its carrying amount as it carries interest rates that approximate the interest rate for comparable instruments in the market.

Financial Assets at FVOCI
Financial assets at FVOCI are stated at fair value based on quoted market prices.
Investment properties
The fair value of investment properties is determined using sales comparison. Sales comparison approach considers the sales of similar or substitute properties and other related market data had the investment properties been transacted in the market. The significant unobservable inputs used in determining the fair value are the sales price per square meter of similar or substitute property, location, size, shape of lot and the highest and best use.

Another method used in determining the fair value of land properties is based on the market data approach. The value of land is based on sales and listings of comparable property registered within the vicinity. This requires adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator by adjusting the difference between the subject property and those actual sales and listings regarded as comparables. The comparison is premised on the factors of location; size and shape of the lot; time element and others.

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

24. Business Segments

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

Segment Revenues and Expenses:

	March 31, 2023		March 31, 2022	
Sales of real estate properties*	**131,310,272**	**91.97%**	₱304,919,987	98.83%
Rent income	**2,519,104**	**1.76%**	952,635	0.31%
Others	**8,945,563**	**6.27%**	2,650,311	0.86%
	142,774,939	**100.00%**	₱308,522,933	100.00%

**Includes interest income from installment contracts receivable and contract assets amounting to ₱24.70 million and ₱16.70 million as of March 31, 2023 and March 31, 2022, respectively.*

The Company's real estate projects, investments, and properties under lease are primarily located in Metro Manila.

25. **Other Matters**

Continuing COVID-19 Outbreak
On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic. As such, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region (NCR) effective March 15, 2020.

On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020 and further extended to May 15, 2020. After which, modified ECQ was implemented in Metro Manila until May 31, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines.

As at May 12, 2023, community quarantine restrictions of varying levels are still in effect in Metro Manila and other parts of the country in order to manage the spread of the virus. During the pandemic period, the Company observed decline in general business but economic recovery was seen in 2021 and is expected in the succeeding periods as a result of the decline in the number of COVID-19 cases and thereby loosening the community quarantines.

Russia-Ukraine Conflict
This ongoing Russia-Ukraine conflict sets several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Company has no exposure to investments in Ukraine or Russia.

The scale and duration of these developments and events remain uncertain as of May 12, 2023. It is not possible to estimate the overall impact of the outbreak and war's near-term and longer effects. Considering the evolving nature of the pandemic and the war, the Company will continue to closely monitor these situations.

CITY & LAND DEVELOPERS, INCORPORATED

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	March 31, 2022 (Unaudited)
Current	**13.41**	17.39	6.53
Asset-to-equity	**1.08**	1.08	1.15
Debt-to-equity	–	–	–
Asset-to-liability	**12.77**	13.71	7.77
Solvency*	**0.56**	1.90	0.94
Interest rate coverage	–	–	–
Acid-test ratio	**4.22**	5.47	1.65
Return on equity (%)*	**4.76%**	14.97%	13.86%
Return on asset (%)*	**4.39%**	13.88%	12.08%
Net profit margin	**23.39%**	35.22%	27.75%
Basic/Diluted earnings per share*	**₱0.09**	₱0.27	₱0.24**

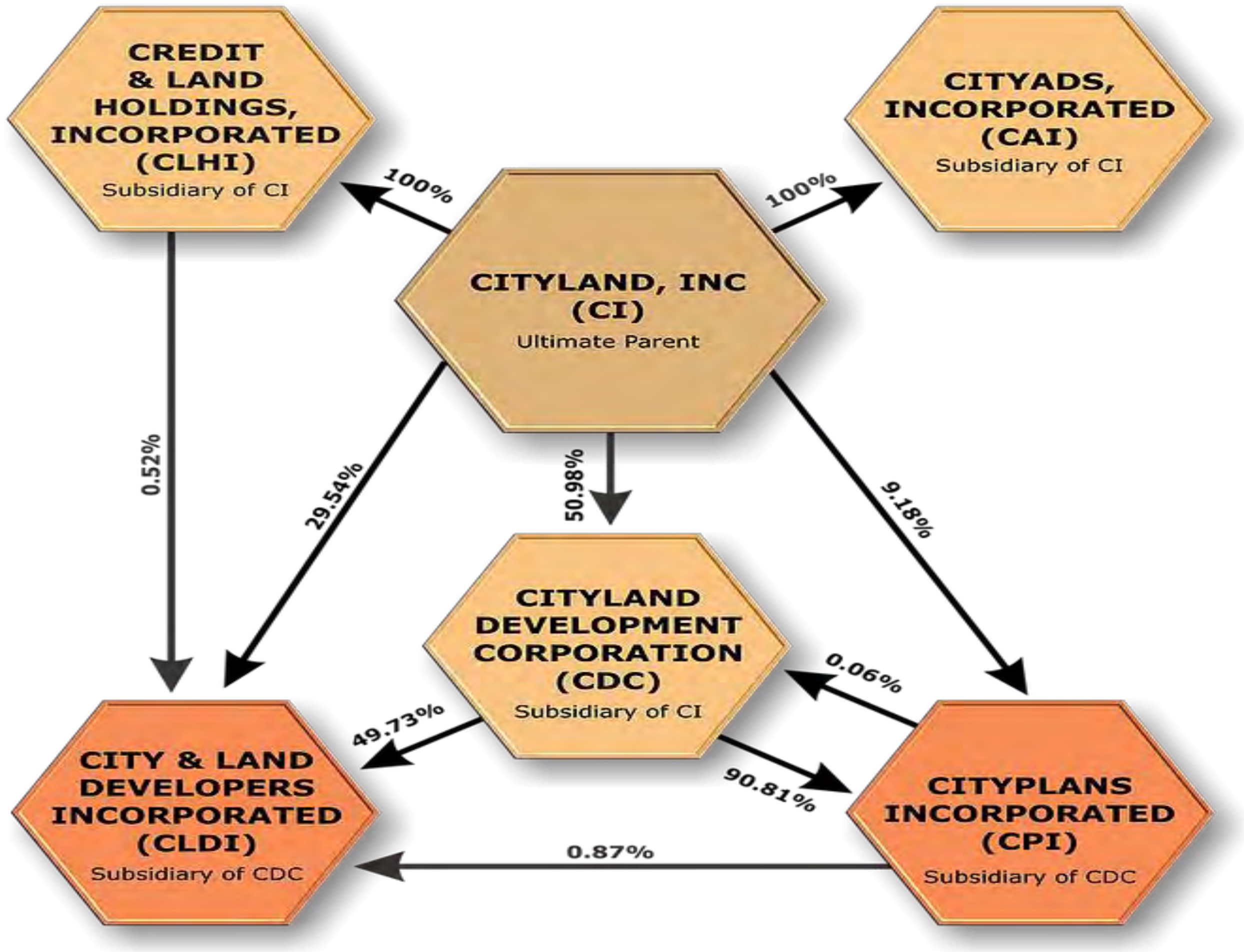
** Annualized for the period of March 31, 2023 and March 31, 2022*
*** With retroactive effect of stock dividend in 2022*

Manner of calculation:

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

CITY & LAND DEVELOPERS, INCORPORATED

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



CITY & LAND
DEVELOPERS, INC.

CERTIFICATION

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

1. That on behalf of City & Land Developers, Incorporated, I have caused this SEC Form 17-Q, Quarterly Report as of and for the period ended March 31, 2023 to be prepared;
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. That City & Land Developers, Incorporated will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used in its online submissions to CGFD/MSRD.

IN WITNESS WHEREOF, I have hereunto set my hand this MAY 15 2023 day of May 2023.

Rudy Go
Affiant

SUBSCRIBE AND SWORN to before me this day MAY 15 2023 at PASIG CITY, affiant personally appeared and exhibited his Social Security System No. and other competent evidence of identification.

ATTY. ANDRE ANTON S. SUAREZ
NOTARY PUBLIC FOR THE CITIES OF PASIG, SAN JUAN
AND MUNICIPALITY OF PATEROS
UNTIL DECEMBER 31, 2024
Unit 105 Grand Emerald Tower, Ortigas Center, Pasig City

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