

COVER SHEET

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(Company Name)

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(Business Address: No. Street/City/Province)

Atty. Alan C. Fontanosa

Contact Person

(032) 231 - 4870

Company Telephone Number

12

Month

31

Day

20-IS

Form Type

02

Month

14

Day

Special Stockholders' Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SEC Number: CS200321240

File Number: _____

CEBU LANDMASTERS, INC.

(Company’s Full Name)

10TH FLOOR, PARK CENTRALE TOWER
JOSE MA. DEL MAR ST., B2 L3
CEBU IT PARK, BRGY. APAS
CEBU CITY, PHILIPPINES 6000

(Company Address)

(032) 231 - 4870

(Telephone Number)

December 31, 2023

(Fiscal Year Ended)

SEC Form 20-IS
Definitive Information Statement

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement
2. Name of Registrant as specified in its charter **CEBU LANDMASTERS, INC.**
3. **CEBU, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS200321240**
5. BIR Tax Identification Code **227-599-320-000**
6. **10th Floor, Park Centrale Tower, Jose Ma. del Mar St.**
B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines
Address of principal office

6000
Postal Code
7. Registrant's telephone number, including area code **(032) 231-4870**
8. **14 February 2024, 9:30 A.M. through teleconferencing and/or videoconferencing**
Date, time, and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders
24 January 2024
10. **In case of Proxy Solicitations:**

***Name of Person Filing the Statement/Solicitor:* NOT APPLICABLE**

***Address and Telephone No.:* NOT APPLICABLE**
11. 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 of Common Stock Outstanding or Amount of Debt Outstanding | |
|-----------------------------|---|----------------------------------|
| | 2022 (as of 31 December 2022) | 2023 (as of 31 December 2023) |
| Common Shares - Outstanding | 3,465,201,467 | 3,465,201,467 |
| Common Shares - Treasury | 158,250,530 | 158,250,530 |

12. Are any or all of the registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange – Common Stocks

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PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

DATE: 14 February 2024 (Wednesday)
TIME: 9:30 A.M.
VENUE: Remote through teleconferencing and/or videoconferencing

Mailing Address of Principal Office:

10th Floor, Park Centrale Tower, Jose Ma. del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City,
Philippines 6000

CLI undertakes to publish and upload a copy of its Definitive Information Statement (SEC Form 20-ISA) and its accompanying annexures at the Company website on or before 24 January 2024, which is fifteen (15) business days prior to CLI's Special Stockholders' Meeting.

<https://ir.cebulandmasters.com/investor-relations/stockholders-meeting/#special-stockholders-meetings>

Item 2. Dissenters' Right of Appraisal

Under Sections 40 and 80 of the Revised Corporation Code of the Philippines (R.A. 11232), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any 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 outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) 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 the Corporation Code;
- (c) In case of merger or consolidation; and
- (d) Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized.

There are no matters to be acted upon in this Special Stockholders Meeting of Cebu Landmasters, Inc. ("CLI" or the "Company") that may give rise to the exercise of appraisal rights by stockholders in accordance with the afore-quoted provisions of the Revised Corporation Code.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) One of the agenda items that will be presented for the approval of CLI stockholders is the approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series "A" Preferred Shares and the Terms and Conditions of the Offer.

As of 31 December 2023, AB Soberano Holdings Corp. ("ABSH") owns 63.17% of the outstanding voting shares of the Company.

Members of the CLI Board, namely, Chairman Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, Dir. Jose Franco B. Soberano, and Dir. Joanna Marie S. Bergundthal are the beneficial owners of ABSH.

- (b) None of the CLI Directors is opposing any action to be taken by the Company in this Special Stockholders' Meeting. CLI is not aware of any other party who has indicated an intention to oppose the motions set forth in the Agenda.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of Outstanding Shares as of 31 December 2023

| | |
|-----------------------------|---------------|
| Common Shares - Outstanding | 3,465,201,467 |
| Common Shares - Treasury | 158,250,530 |
| Preferred Shares | None |

(b) Record Date: 22 January 2024

Per resolution of the Board during its special meeting held on 08 January 2024, all CLI shareholders as of 22 January 2024 are entitled to attend and vote at this Special Stockholders' Meeting.

(c) Manner of Voting

Each holder of CLI shares is entitled to one (1) vote for every outstanding common share in accordance with Section 7, Article III of CLI's By-laws as amended on 01 July 2016.

Consistent with Sec. 57 of the RCC, CLI stockholders may vote in person or by proxy in all meetings of stockholders.

Proxies shall be in writing, signed, and filed by the stockholder in any form authorized by CLI's By-laws and received by the Office of the Corporate Secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

As of this publication, voting through remote communication or in absentia is not yet authorized in the Company's By-laws or by the majority of the Board of Directors. However, stockholders or their proxies who wish to join this Special Stockholders' Meeting remotely can send their ballots or proxy forms, where they can indicate their votes on every agenda item, to the Corporate Secretary on or before 07 February 2024 so that such votes can be counted prior to the meeting. A copy of the ballots and proxy forms are attached herewith as Annexures "B", "C", and "D".

As regards treasury shares, pursuant to Sec. 56 of the RCC, the same shall have no voting right as long as they remain in the treasury.

(d) Security Ownership of Certain Record and Beneficial Owners

Below are the holders and/or beneficial owners of CLI shares of stock as of 31 December 2023:

| Class | Name, Address of Owner and Relationship with Issuer | Name of Beneficial Owner and Relationship with Record Owner | Citizenship | No. of Issued and Outstanding Shares | Percentage to Total Issued and Outstanding Shares |
|--------|---|---|-------------|--------------------------------------|---|
| Common | AB Soberano Holdings Corp. Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000 Relationship with CLI: Parent Company | AB Soberano Holdings Corp. (Direct) | Filipino | 2,198,385,729 | 60.67% |

| | | | | | |
|--------|---|--|----------|---------------|--------|
| Common | <p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p> | <p>AB Soberano Holdings Corp.</p> <p>(Direct)</p> | Filipino | 21,345,560 | 0.59% |
| Common | <p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p> | <p>AB Soberano Holdings Corp.</p> <p>(Direct)</p> | Filipino | 63,675,306 | 1.76% |
| Common | <p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p> | <p>AB Soberano Holdings Corp.</p> <p>(Direct)</p> | Filipino | 5,463,500 | 0.15% |
| Common | <p>PCD NOMINEE CORP. (FILIPINO)</p> <p>Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226</p> <p>Relationship with CLI: None</p> | <p>PCD participants acting for themselves or for their customers</p> <p>(Indirect)</p> | Filipino | 1,254,312,748 | 34.62% |
| Common | <p>PCD NOMINEE CORP. (NON-FILIPINO)</p> <p>Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de</p> | <p>PCD participants acting for themselves or for their customers</p> <p>(Indirect)</p> | Others | 31,304,587 | 0.86% |

| | | | | | |
|--------|--|--|----------|------------|-------|
| | Roxas, Makati City 1226 | | | | |
| | Relationship with CLI: None | | | | |
| Common | <p>Jose R. Soberano III (Direct)</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Chairman of the Board, President, and CEO of CLI. He is nominated as Director for the election in the annual stockholders meeting.</p> | <p>Jose R. Soberano III (Direct)</p> | Filipino | 31,220,000 | 0.86% |
| Common | <p>Jose Franco B. Soberano</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Director, COO and Executive Vice-President of CLI. He is nominated as Director for the election in the annual stockholders meeting.</p> | <p>Jose Franco B. Soberano (Direct)</p> | Filipino | 7,247,500 | 0.20% |
| Common | <p>Janella Mae B. Soberano-Wu</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Assistant Vice-President for Corporate Communication</p> | <p>Janella Mae B. Soberano-Wu (Direct)</p> | Filipino | 5,017,500 | 0.14% |

| | | | | | |
|--------|--|---|----------|-----------|-------|
| | s and Customer Relations | | | | |
| Common | <p>Joanna Marie B. Soberano-Bergundthal</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Director and Vice-President for Marketing of CLI. She is nominated as Director for the election in the annual stockholders meeting.</p> | <p>Joanna Marie B. Soberano-Bergundthal</p> <p>(Direct)</p> | Filipino | 5,017,500 | 0.14% |
| Common | <p>Ma. Nona A. Velez</p> <p>Address: Cebu City</p> <p>Relationship with CLI: None</p> | <p>Ma. Nona A. Velez</p> | Filipino | 300,000 | 0.01% |
| Common | <p>Myrna P. Villanueva</p> <p>Address: Pasay City</p> <p>Relationship with CLI: None</p> | <p>Myrna P. Villanueva</p> <p>(Direct)</p> | Filipino | 39,300 | 0.00% |
| Common | <p>Milagros P. Villanueva</p> <p>Address: Pasay City</p> <p>Relationship with CLI: None</p> | <p>Milagros P. Villanueva</p> <p>(Direct)</p> | Filipino | 22,300 | 0.00% |
| Common | <p>Marietta V. Cabreza</p> <p>Address: Imus City, Cavite</p> <p>Relationship with CLI: None</p> | <p>Marietta V. Cabreza</p> <p>(Direct)</p> | Filipino | 22,300 | 0.00% |
| Common | <p>Lolita Siao-Ignacio</p> | <p>Lolita Siao-Ignacio</p> | Filipino | 22,300 | 0.00% |

| | | | | | |
|--------|--|--|----------|--------|-------|
| | Address: Muntinlupa City Relationship with CLI: None | (Direct) | | | |
| Common | Maria Lourdes M. Onozawa Address: Cebu City Relationship with CLI: None | Maria Lourdes M. Onozawa | Filipino | 22,300 | 0.00% |
| Common | Myra P. Villanueva Address: Makati City Relationship with CLI: None | Myra P. Villanueva (Direct) | Filipino | 33,450 | 0.00% |
| Common | Owen Nathaniel S AU ITF: LI MARCUS AU | Owen Nathaniel S AU ITF: LI MARCUS AU (Indirect) | Filipino | 111 | 0.00% |
| Common | Jesus N. Alcordero Address: 507 Balitok St., Ayala Alabang Village, Muntinlupa City Relationship with CLI: Former Independent Director of CLI | Jesus N. Alcordero (Direct) | Filipino | 2 | 0.00% |
| Common | Ma. Aurora D. Geotina-Garcia Address: 27 Sanson St., Corinthian Gardens, Quezon City Relationship with CLI: Independent Director of CLI and nominated as such for the election in the annual stockholders meeting. | Ma. Aurora D. Geotina- Garcia (Direct) | Filipino | 2 | 0.00% |
| Common | Rufino Luis T. Manotok | Rufino Luis T. Manotok | Filipino | 2 | 0.00% |

| | | | | | |
|--|---|----------|-------|---------------|------|
| | Address: 133 Rizal St., Ayala Southvale Village, Bacoor, Cavite Relationship with CLI: Lead Independent Director of CLI and nominated as such for the election in the annual stockholders meeting. | (Direct) | | | |
| | | | TOTAL | 3,623,451,997 | 100% |

In all stockholders' meetings, both regular and special, the Company shares held by AB Soberano Holdings Corp. are to be voted by JOSE FRANCO B. SOBERANO, who is one of its directors.

Meanwhile, there are two (2) companies under the PCD Nominee Corp. that hold at least five percent (5%) of CLI's shares as of this filing, namely Social Security System and BDO Securities Corporation. The Company has no information as to who would vote in their behalf since neither of them have sent their proxy forms to the Corporate Secretary as of this writing.

(e) **Voting Trust Holders of 5% or More**

To the best of the Company’s knowledge, none of its security holders has created a voting trust for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to their shares as described and allowed under Sec. 58 of the RCC (R.A. 11232). As such, the other details required by this section are not applicable for purposes of this information statement.

(f) **Change in Control of the Registrant since the Beginning of its last Fiscal Year**

There is no change in control of the Registrant since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

(i) **Information about Directors**

At present, the Board consists of nine members, including three (3) independent directors in accordance with the requirements of the Securities Regulation Code and the SEC’s Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19, series of 2016). All of the Company’s incumbent directors, including its independent directors, were elected at the Company’s annual stockholders’ meeting held on 01 June 2023 and will continue to serve as such until the next annual stockholders meeting or until their successors have been duly elected and qualified.

Members of the Board of Directors

| <u>Name</u> | <u>Age</u> | <u>Position</u> | <u>Citizenship</u> | <u>Date of first appointment as CLI Director</u> |
|-------------------------|------------|--|--------------------|--|
| Jose R. Soberano III | 67 | Chairman of the Board, President, and Chief Executive Officer (CEO) | Filipino | September 2003 |
| Ma. Rosario B. Soberano | 65 | Director, Treasurer and Executive Vice-President | Filipino | September 2003 |
| Jose Franco B. Soberano | 37 | Director, Chief Operating Officer (COO), and Senior Executive Vice-President | Filipino | November 2010 |

| | | | | |
|------------------------------|----|---|----------|---------------|
| Beauregard Grant L. Cheng | 42 | Director, Chief Financial Officer (CFO), and Executive Vice-President | Filipino | May 2019 |
| Joanna Marie S. Bergundthal | 36 | Director, Senior Vice-President for Marketing and Asst. Treasurer | Filipino | February 2017 |
| Rufino Luis T. Manotok | 73 | Lead Independent Director | Filipino | February 2017 |
| Ma. Aurora D. Geotina-Garcia | 71 | Independent Director | Filipino | February 2017 |
| Atty. Ma. Jasmine S. Oporto | 64 | Independent Director | Filipino | August 2018 |
| Stephen A. Tan | 67 | Non-Executive Director | Filipino | May 2019 |

Jose R. Soberano III, 67, Filipino, has been the Company’s Chairman, CEO, and President since its incorporation in September 2003. He obtained a Bachelor of Arts degree in Economics from the Ateneo De Manila University in 1976 and completed the Strategic Business Economics Program at the University of Asia and Pacific in 2000. In 2015, he completed the Advanced Management Development Program in Real Estate from the Harvard University Graduate School. He previously worked for the Ayala Group of Companies for over 23 years, including various stints in Ayala Investment, Bank of the Philippine Islands, and in Ayala Land, Inc. where he was appointed Senior Division Manager in 1997. He was Vice-President of Cebu Holdings, Inc., the pioneer Ayala Land subsidiary in Cebu City when he resigned in 2000 from Ayala. He served as President of the Rotary Club of Cebu in 2011, and President of the Chamber of Real Estate Builders Association-Cebu (CREBA-Cebu) in 2010. Mr. Jose R. Soberano III has more than 20 years of experience in managing and heading companies engaged in real estate development.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Jose R. Soberano III also holds the following directorships and positions in the following non-publicly listed entities (“Non-PLC”). He does not hold directorships in other publicly-listed companies.

| Name of Entity | Classification | Position |
|---|----------------|------------------------|
| Center for Technology and Enterprise Inc. | Non-PLC | Chairman of the Board |
| Sri Visayan Foundation Inc. | Non-PLC | President |
| Cebu Country Club, Inc. | Non-PLC | President |
| Sugbu Chinese Heritage Museum Foundation Inc. | Non-PLC | Director and Treasurer |
| University of San Carlos | Non-PLC | Director and Trustee |

Ma. Rosario B. Soberano, 65, Filipino, has served as the Director, Treasurer, and Executive Vice-President of the Company since September 2003. She received a Bachelor of Science major in Accountancy degree in 1979 and graduated summa cum laude from St. Theresa’s College in Cebu.. She also obtained a Master’s Degree in Business Administration from the University of the Philippines (“UP”) - Cebu in 1983. She is a Certified Public Accountant and a licensed real estate broker duly registered with the Professional Regulations Commission and Department of Human Settlements and Urban Development.

Other present directorships:

In addition to her directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Ma. Rosario B. Soberano does not hold directorships in other entities outside the CLI Group.

Jose Franco B. Soberano, 37, Filipino, has served as Director and COO since November 2010. He received a degree in Bachelor of Science in Management, major in Legal Management and minor in Finance, from the Ateneo de Manila University in 2007. In 2012, he obtained a Master’s Degree in Real Estate Development from Columbia University in New York City. Prior to joining the Company, he was a Project Manager at Hewlett-Packard Asia Pacific (HK) Ltd.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Jose Franco B. Soberano also holds the following positions in other non-publicly listed entities (“Non-PLC”). He does not hold directorships in other publicly-listed companies.

| Name of Entity | Classification | Position |
|--|----------------|-----------------|
| Global Shapers – Cebu Hub (an initiative of the World Economic Forum) | Non-PLC | Founding Member |
| Sacred Heart School – Ateneo de Cebu Alumni Association | Non-PLC | President |

Beauregard Grant L. Cheng, 42, Filipino, is the CFO and an Executive Director of CLI since May 2019. Before joining CLI, he was a Senior Deal Manager with a rank of Vice-President at BDO Capital & Investment Corporation. He led his project teams in managing various complex capital market transactions and advised companies in a broad array of industries on corporate restructuring and reorganization. Previously, he was a private banker based in Singapore handling accounts for high net worth individuals and institutions. He is a registered Chartered Financial Analyst (“CFA”) Charter holder and is a member of the CFA Philippines Society. He earned his degree in Bachelor of Science in Manufacturing Engineering and Management as a Star Scholar from De La Salle University Manila and graduated Magna Cum Laude. He was awarded as one of the Top Ten Outstanding Students of the Philippines by the Philippine President. He earned his Masters of Science in Wealth Management with distinction from Singapore Management University and Swiss Finance Institute in Zurich. He was awarded as the 2022 ING-FINEX CFO of the Year, becoming its youngest recipient and the first awardee from a non-conglomerate organization. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or officers of CLI.

Other present directorships:

In addition to his directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Beauregard Grant L. Cheng does not hold directorships in other entities outside the CLI Group.

Joanna Marie S. Bergundthal, 36, Filipino, has served as Director of the Company since February 2017, and joined the Company as Vice-President and Marketing Director in July 2016. She earned from the University of Asia and the Pacific both her Bachelor and Master of Arts in Communication, Major in Integrated Marketing Communication in 2008 and 2009, respectively. She was Top 1 of her Batch 2008. Prior to joining the Company, she was a Marketing Manager of the Global Team of Nestle based in Switzerland from June 2014 to August 2015 and was Marketing Project Manager based in Thailand from August 2015 to June 2016. In October 2013 to May 2014, she worked as a Marketing Manager of Nestle Philippines.

Other present directorships:

In addition to her directorships and key positions held in joint ventures and other entities within the CLI Group, all non-publicly listed entities, Joanna Marie S. Bergundthal does not hold directorships in other entities outside the CLI Group.

Rufino Luis T. Manotok, 73, Filipino, joined as one of the Company’s Independent Directors in February 2017. He finished the Advanced Management Program of Harvard Business School in 1994. He earned his Master of Business Management degree from the Asian Institute of Management in 1973, and Bachelor of Arts, major in Economics from the Ateneo de Manila University in 1971. He was the Chairman and President of Ayala Automotive Holdings Corporation from 2009 to 2012. From 2007 to 2009, he was Ayala Corporation’s Senior Managing Director, CFO, and Chief Information Officer. He was Managing Director, heading the Strategic Planning Group of Ayala Corporation from 1998 to 2006. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

| Name of Entity | Classification | Nature of Directorship |
|-------------------------|-----------------|------------------------|
| Philippine Savings Bank | Publicly-listed | Independent Director |
| Manila Doctor Hospital | Non-PLC | Non-Executive Director |
| Manarsa Holdings, Inc. | Non-PLC | Chairman of the Board |
| Manotok Bros., Inc. | Non-PLC | Executive Director |

Ma. Aurora D. Geotina-Garcia, 71, Filipino, joined as one of the Company’s Independent Directors in February 2017. She received her Bachelor of Science in Business Administration and Accountancy degree from UP in 1973. She completed her Master of Business Administration (“MBA”) from the same university in 1978. She headed Sycip Gorres Velayo & Co. 's (SGV & Co.) Global Corporate Finance Division from 1992 until her retirement from the partnership in 2001. She was a Senior Adviser to SGV & Co. from the time of her retirement until September 2006. She has served as a consultant to businesses and the government for over 30 years in the area of corporate finance. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

| Name of Entity | Classification | Nature of Directorship / Position |
|-----------------------------|-----------------|-----------------------------------|
| ENEX Energy Corp. | Publicly-listed | Lead Independent Director |
| Professional Services, Inc. | Non-PLC | Independent Director |
| Mageo Consulting Inc. | Non-PLC | President |

Atty. Ma. Jasmine S. Oporto, 64, Filipino, joined the Board of Directors of CLI as an Independent Director in August2018. She obtained her Bachelor of Laws from the UP College of Law, and Bachelor of Landscape Architecture (*cum laude*) from the same university. She is a member of both the Philippine and New York bar associations and placed No. 3 in the 1988 Philippine Bar Examinations. She also attended the Comparative International and American Law Program of the Center for American and International Law. She is an experienced Chief Legal Officer, Chief Compliance Officer, and Corporate Secretary and has worked in said capacity with publicly listed companies like Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation. She is also a certified Compliance & Risk Management Professional with the GRC Institute of Australia. In her legal practice, she has intensive experience in working with a wide network of external and in-house legal counsels for labor, commercial litigation, securities law, power industry regulation, land, infrastructure capital, and general corporate law. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Other present directorships:

Atty. Ma. Jasmine S. Oporto has no other current and existing directorships in the Philippines (listed or non-listed).

Stephen A. Tan, 67, Filipino, has been a member of the CLI board as Non-Executive Director since May 2019. He is a Certified Public Accountant and a holder of an MBA, with distinction, from Kathloike Universiteit te Leuven in Belgium and a Bachelor of Science in Management Engineering from Ateneo de Manila University. He is also a Hubert H. Humphrey (Fulbright) Fellow in Agricultural Economics at the University of California, Davis. He earned his degree in Accounting from the University of San Carlos. Prior to retiring from CLI as CFO in May 2019, he has also served as CFO and Treasurer at various companies engaged in real estate development, construction, food, and shipbuilding, among others. For more than 30 years, he has been a part-time MBA professor in leading universities in Cebu City. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or officers of CLI.

Other present directorships:

| Name of Entity | Classification | Nature of Directorship / Position |
|--------------------------------------|----------------|-----------------------------------|
| CLI-LITE Panglao Inc. | Non-PLC | Independent Director |
| Sacred Heart School – Ateneo de Cebu | Non-PLC | Board of Trustee |

(ii) Information about Key Executives and Officers

Executive Officers

| Name | Age | Position | Citizenship |
|---------------------------|-----|--|-------------|
| Jose R. Soberano III | 67 | President and CEO | Filipino |
| Ma. Rosario B. Soberano | 65 | Treasurer and Executive Vice-President | Filipino |
| Jose Franco B. Soberano | 37 | COO and Senior Executive Vice-President | Filipino |
| Beauregard Grant L. Cheng | 42 | Chief Financial Officer and Executive Vice-President | Filipino |

| | | | |
|----------------------------------|----|--|----------|
| Joanna Marie S. Bergundthal | 36 | Senior Vice-President for Marketing and Asst. Treasurer | Filipino |
| Janella Mae S. Wu | 32 | Assistant Vice-President for Corporate Communications and Customer Relations | Filipino |
| Marie Rose C. Yulo | 55 | First Vice-President for Sales | Filipino |
| Engr. Pedrito A. Capistrano, Jr. | 60 | First Vice-President for Engineering | Filipino |
| Atty. Larri-Nil G. Veloso | 45 | First Vice-President for Legal and Asst. Corporate Secretary | Filipino |
| Sylvan John M. Monzon | 48 | Vice-President for Business Development | Filipino |
| Mark Leo M. Chang | 45 | Vice-President for External Affairs | Filipino |
| Rhodora M. Vicencio | 50 | Vice-President for Property Management | Filipino |
| Suzette Go | 53 | Data Protection Officer | Filipino |
| Marilou P. Plando | 48 | Assistant Vice-President for Risk Management and Chief Risk Officer (CRO) | Filipino |
| Atty. Alan C. Fontanosa | 61 | Corporate Secretary | Filipino |
| Atty. John Edmar G. Garde | 35 | Compliance Officer | Filipino |
| Clarissa Mae A. Cabalda | 34 | Investor Relations Officer | Filipino |

For the description of the business experience, educational background, and other directorships, as applicable, of Jose R. Soberano III, Ma. Rosario B. Soberano, Jose Franco B. Soberano, Beauregard Grant L. Cheng, and Joanna Marie S. Bergundthal, please refer to the description set out under the section “Information about Directors”.

Janella Mae S. Wu, 32, Filipino, joined the Company as Corporate Communications and Customer Relations Head in January 2020. She obtained her Bachelor of Arts in Integrated Marketing Communications degree from the University of Asia and the Pacific, Manila in 2013 and completed her Master of Science in Strategic Communications at Columbia University, New York in 2020. Prior to graduate school, she worked for the Company as Marketing Manager from 2017 to 2018 and United Laboratories (UNILAB) as Brand Manager from 2013 to 2017. She is the daughter of Jose R. Soberano III and Ma. Rosario Soberano.

Marie Rose C. Yulo, 55, Filipino, is the Company’s First Vice-President for Sales. Prior to this, she was the Assistant Vice-President for both Sales and Marketing from March 2011 until August 2016 when the Company spun off its marketing unit as a separate department to provide focused attention to the equally challenging marketing and branding initiative of the Company. She also has significant experience in the areas of travel and tours, and banking. She completed her Bachelor of Science degree in Business Administration at the University of San Carlos and earned MBA units from the University of the Visayas. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Engr. Pedrito A. Capistrano Jr., 60, Filipino, is the First Vice-President for Engineering of the Company. He is a licensed engineer in the field of Civil Engineering and Geodetic Engineering. He has been working with the Company since August 2011 when he was hired as Project Manager. His more than 34 years of experience has established his solid foundation and credibility in the construction and allied fields. Some of the established companies he had worked for were Filinvest Land Inc., Robinsons Land Corporation, Cebu Industrial Park Developers, Inc., Aboitiz Land, Inc. and Aboitiz Construction Group, Inc. He finished his Bachelor of Science degree in Civil Engineering at Cebu Institute of Technology University in Cebu City and earned his Master of Science in Management Engineering from the University of the Visayas also in Cebu City. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Atty. Larri-Nil G. Veloso, 45, Filipino, is the First Vice-President for Legal and serves as the Company’s Assistant Corporate Secretary. An experienced practitioner in Corporate Law, he holds a Bachelor of Arts

in Mass Communication from UP and earned his Bachelor of Laws from the University of Southern Philippines Foundation. While finishing law school, he worked for print and online newspapers, occupying various positions in progression from correspondent, staff reporter, copy editor, copywriter, junior editor, group editor, to managing editor. Prior to joining the Company, he was the Corporate Legal Counsel of InfoWeapons Corporation, an American-owned software company specializing in networking appliances, and later promoted as General Manager. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Sylvan John M. Monzon, 48, Filipino, is the Vice-President in-charge of business development for the Company's projects in Mindanao. Prior to joining CLI, he held various positions in the real estate industry for more than 20 years such as Project Development Assistant Supervisor of Cebu Holdings, Inc., Assistant Chief Operating Officer of Ortigas and Company Limited Partnership, and as Head of Business Development of Ortigas and Company Holdings Inc. He graduated with a Bachelor of Science degree in Business Management from the University of Asia and the Pacific in Pasig City, Philippines. He also earned a Certificate in Business Economics from the same university. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Mark Leo M. Chang, 45, Filipino, is the Company's Vice-President for External Affairs. He graduated with a degree in Bachelor of Laws (Juris Doctor) from the University of San Carlos (USC) School of Law, Cebu City in 2009 and Bachelor in Business Management from UP – Cebu in 1999. In 1998, he was awarded as one of The Outstanding Student Leaders of UP Cebu by the Junior Jaycees of UP Cebu Chapter. He previously worked as Senior Manager for External Affairs of Cebu Holdings, Inc., a subsidiary of Ayala Land, Inc. from February 2015 to July 2017 (including as Consultant) and as Senior Manager for Permits with Countryside Water Services under Filinvest Development Corporation from August 2017 to June 2018. He held the position of Presidential Staff Officer V functioning as Executive Assistant and Political Officer under the Office of the Presidential Political Adviser Sec. Ronaldo M. Llamas of the Office of the President from April 2011 to December 2014. He also worked as an Intern (Researcher) at Sycip Salazar Hernandez Gatmaitan Law Office - Cebu Branch from September 2005 to March 2007. He used to be the National President of the Association of Law Students of the Philippines, a federation of law student councils in the country, for Academic Year (AY) 2008-2009 and President of USC Lex Circle (Law Student Council) for 2 terms in AY 2006-2008. He is one of the founders of Roco for President Youth Movement and Aksyon Kabataan, a youth arm of Aksyon Demokratiko, the political party of the late Sen. Raul S. Roco in 1998. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Rhodora M. Vicencio, 50, Filipino is the Vice-President for Property Management of CLI. She has 25 years of experience in property management specializing in residential and commercial real estate, facility administration and leasing. She worked in different real estate companies in the National Capital Region, Cordillera Administrative Region, Bicol Region, Western Visayas, and Central Visayas. She was also a consultant and instrumental in the set-up of local operations of Common Ground Works, Philippines from Malaysia. She graduated from the College of the Holy Spirit in Manila with a double major in Bachelor of Science in Commerce in Marketing and Management. She also attended and completed modules under the Post-Baccalaureate Program for Building and Property Management in De La Salle – College of St. Benilde. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Suzette Go, 53, is the Data Protection Officer of CLI. Before joining CLI in November 2021, Ms. Go had experience as an Information Systems Manager, a Compliance Officer for Privacy, and an ISO Management Representative for the publicly listed company Cebu Holdings, Inc., which was a subsidiary of Ayala Land, Inc. At the beginning of her career, she was a Programmer for SM Multistores Corporation, the SM company handling the Department Stores business, and was a Junior Programmer for Philippine Nitto Systems, a Japanese software development company.

Marilou P. Plando, 48, Filipino, is the Assistant Vice-President for Risk Management and Chief Risk Officer of CLI since 2021. Prior to joining CLI, she worked at Aboitiz Equity Ventures, Inc. as its Assistant Vice President - Legal Business Administrator from 2011 to 2016 then as its Assistant Vice President - Enterprise Risk Manager from 2016 to 2018. She also held the position of Regional Operations Director with the Julie's Bakeshop Group from 2018 to 2021. She obtained her Bachelor of Science in Industrial Engineering from the University of San Jose Recoletos in 1997, and her Master's in Business Administration from the Philippine Christian University in 2020. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Atty. Alan C. Fontanosa, 61, Filipino, is the Corporate Secretary of CLI. He is a partner at the law firm, SyCip Salazar Hernandez & Gatmaitan ("SyCip"). He is also the partner in charge of SyCip's Cebu Office. He obtained his undergraduate and law degree from the University of San Carlos and was admitted to the Philippine Bar in 1988. He has extensive legal practice of over 33 years, including the areas of industrial relations and labor litigation, civil and land cases, corporate services and housekeeping, special projects, real estate transactions, sale/disposition of assets, and conducting/supervising due diligence investigation. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Atty. John Edmar G. Garde, 35, Filipino, is the Compliance Officer of CLI. Prior to joining CLI as Legal Counsel & Compliance Senior Manager, he served as Manager/Director in the Business Tax Services of SGV & Co. (Ernst & Young - Philippines) where he assisted domestic and multinational clients from various industries, including real estate, hospitality, business process outsourcing, manufacturing, semiconductor, export, and entities registered with Investment Promotion Agencies such as PEZA and BOI. His areas and fields of practice include taxation (tax advisory services; tax advocacy services; taxation law), investment promotions and incentives law, corporate law and services, and legal and corporate compliance. He graduated *cum laude* from the University of San Carlos with a degree in Bachelor of Science in Management Accounting. He also received his law degree from the same university. He is a Certified Compliance Officer, having garnered the highest rating and certificate of excellence during the 2021 Certification Course for Compliance Officers of the Center for Global Best Practices. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Clarissa Mae A. Cabalda, 34, Filipino, has been the Investor Relations Officer of CLI since April 2017. She is a Certified Public Accountant and a holder of Master of Arts in Economics. She obtained her undergraduate and Master's degree from the University of San Carlos. Prior to joining CLI, she previously worked at AboitizLand for 3 years in Corporate Finance. She has also extensive working experience in finance from reputable companies such as SM Prime Holdings, Inc. and KFC Philippines. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

(iii) **Material Legal Proceedings**

To the best of the Company's knowledge, none of the foregoing directors and key executives is involved in legal proceedings that are material in evaluating their ability or integrity to hold their respective offices or positions.

More specifically, none of the current directors, executive officers, and nominees of the Company has been a general partner or executive officer of a company subject of a bankruptcy petition nor held such position during the bankruptcy proceedings or within two years prior to that time. Neither do any of them has been convicted by final judgment in any criminal proceeding or currently facing one, both domestic or foreign; nor the subject of 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 involvement in any type of business, securities, commodities or banking activities. Finally, none of the Company's directors and executive officers has been found by a domestic or foreign court of competent jurisdiction (in a 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.

The Company and its subsidiaries are likewise not a party to, nor any of the Company's properties are the subject of any pending material litigation, arbitration or other legal proceeding, and no litigation or claim of material importance is known to the management and the directors to be threatened against the Company, its subsidiaries or any of its properties.

(iv) **Resignation of Directors**

None of the current set of directors has resigned.

(v) **Significant Employees**

There is no Non-Executive Officer(s) within the Company that is/are expected to make significant contributions to the business.

(vi) **Family Relationships**

The executive officers and members of the Board of Directors of the Company are not related by consanguinity or by affinity among each other, except: Jose R. Soberano III (husband of Ma. Rosario B. Soberano), Ma. Rosario B. Soberano (wife of Jose R. Soberano III), Jose Franco B. Soberano, Janella Mae S. Wu, and Joanna Marie S. Bergundthal (children of Spouses Jose R. Soberano III and Ma. Rosario B. Soberano).

(vii) **Related-Party Transactions**

The Company and its subsidiaries (the "Group"), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

These transactions are governed and monitored under a board-approved related party transaction policy (“RPT Policy”) that enforces proper disclosure, approval protocols, and tests of arm’s length standards. CLI employees are also required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

In keeping with CLI’s RPT Policy and Transfer Pricing Policy, the Company declares that all its related party transactions (RPTs) in 2023 were conducted in a fair and at arm’s length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances.

Pursuant to CLI’s RPT Policy, related party transactions involving an amount of at least Php 50,000,000.00 or its equivalent are submitted to the RPT Committee for review and pre-approval. CLI’s RPT Committee is tasked to review and ensure that these RPTs are conducted at arms’ length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances, and in all cases comply with the provisions under its Transfer Pricing Policy. RPTs approved by the RPT Committee were then endorsed to the CLI Board for subsequent approval and/or ratification.

The amounts of the RPTs and the discussions of the business purposes of the arrangement, identification of the related parties transaction business with CLI and the nature of their relationship, how transaction prices were determined by the parties, and any ongoing contractual or other commitments as a result of the arrangement, are also disclosed and discussed accordingly in CLI’s consolidated financial statements as of and for the period ending September 30, 2023.

Item 6. Compensation of Directors and Executive Officers

The table below lists the Company’s President and CEO and the four most highly compensated senior officers:

| <u>Name</u> | <u>Position</u> |
|-----------------------------|---|
| Jose R. Soberano III | President and CEO |
| Ma. Rosario B. Soberano | Treasurer and Executive Vice-President |
| Jose Franco B. Soberano | COO and Senior Executive Vice-President |
| Beauregard Grant L. Cheng | CFO and Executive Vice-President |
| Joanna Marie S. Bergundthal | Senior Vice-President for Marketing and Asst. Treasurer |

The table below summarizes the aggregate compensation of the Company’s President and CEO and the four most highly compensated executive officers, and all other officers and directors as a group, for the years ended December 31, 2019, 2020, 2021, 2022, and 2023.

| | Year | Basic Compensation (in ₱) | Other Compensation (in ₱) |
|--|------|---------------------------|---------------------------|
| President and CEO and the four most highly compensated executive officers named above..... | | | |
| | 2023 | 53,483,939.64 | 20,715,507.99 |
| | 2022 | 51,846,963.70 | 16,170,904.95 |
| | 2021 | 40,973,625.00 | 19,965,000.00 |
| | 2020 | 37,248,750.00 | 18,150,000.00 |
| | 2019 | 33,862,500.00 | 16,500,000.00 |

Each of the executive officers named above executed an employment contract with the Company and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company’s retirement plan.

No bonuses have been declared for the Board of Directors for the last three years. For the ensuing year, the amount of bonuses to be received by the members of the Board of Directors has yet to be approved by it.

Meanwhile, the table below shows the aggregate compensation of all officers and directors as a group, excluding those of the President and the four most highly compensated executive officers:

| | Year | Basic Compensation (in ₱) | Other Compensation (in ₱) |
|---|------|---------------------------------|---------------------------------|
| All officers and directors as a group excluding the President and four (4) most highly compensated executive officers | | | |
| | 2023 | 68,942,167.35 | 19,157,807.00 |
| | 2022 | 34,302,575.60 | 9,468,382.98 |
| | 2021 | 25,071,232.18 | 9,642,781.61 |
| | 2020 | 22,792,029.26 | 8,766,165.10 |
| | 2019 | 20,720,026.60 | 7,969,241.00 |

There is no plan or arrangement by which the above officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

There are no outstanding warrants or options held by the Company's chief executive officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

(a) The principal accountant and external auditor of the Company is Punongbayan & Araullo. During the 01 June 2023 Annual Stockholders' Meeting, the stockholders approved the appointment and retention of Punongbayan & Araullo as the external auditor for fiscal year 2023.

For the 2023-2024 term, the Audit Committee is composed of four (4) qualified non-executive directors, three (3) of whom, including the Chairperson, are independent directors. All the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chairperson of the Audit Committee, Director Ma. Aurora D. Geotina-Garcia, is not the Chairman / Chairperson of the CLI Board or of any other committee.

CLI's non-executive directors, including its independent directors, are paid per diem allowances for board and committee meetings attended. For a CLI Board meeting, the non-executive director / independent director is paid a per diem allowance of Php40,000.00. For a committee meeting attended, the non-executive director / independent director is paid a per diem allowance of Php30,000.00 (regular) or Php15,000.00 (special). The other members of the Board who are executives and receiving salaries as such do not get additional per diem or compensation for their attendance in Board and/or committee meetings.

(b) The principal accountant and external auditor of the Company is Punongbayan & Araullo (P&A). Pursuant to CLI's Manual on Corporate Governance, and in compliance with law and pertinent regulations, the external auditor or the signing partner of the external auditing firm assigned to CLI is rotated or changed every five (5) years.

In compliance thereto, and commencing with the audit of CLI's FY2021 financial statements, and the most recent audit of its FY2022 financial statements, the P&A engagement and signing partner assigned to CLI is Mailene Sigue-Bisnar (CPA Reg. No. 0090230; Partner – No. 90230-SEC, until December 31, 2025).

The previous P&A engagement and signing partner assigned to CLI was Christopher M. Ferareza, who handled CLI's FY2020, FY2019, and FY2018 financial statements.

Pursuant thereto, CLI is compliant with the requirement of rotation of External Auditor.

(c) A representative of Punongbayan & Araullo is expected to be present at the annual stockholders meeting to respond to appropriate questions or make a statement if he/she desires to do so.

(d) Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the three most recent fiscal years. Thus far, the Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

The table below shows the fees paid by the Company for the services of Punongbayan & Araullo:

| | 2020 | 2021 | 2022 | 2023 |
|------------------------------|---------------|---------------|---------------|---------------|
| Audit and Audit Related Fees | ₱2,327,437.55 | ₱2,464,000.00 | ₱3,310,657.61 | ₱5,712,000.00 |
| Non-audit fees | ₱19,975.00 | ₱69,000.00 | None | None |
| TOTAL | ₱2,347,412.55 | ₱2,533,000.00 | ₱3,310,657.61 | ₱5,712,000.00 |

Item 8. Compensation Plans

There are no matters or actions to be taken up in the Special Stockholders’ Meeting on 14 February 2024 pertaining to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

a. Title and amount of securities to be authorized

Last 04 January 2024, the SEC issued and released the Certificates of Filing of Amended Articles of Incorporation, both dated 29 December 2023, which approve CLI’s applications for amendment of its Articles of Incorporation (“AOI”) to create a new class of CLI preferred shares through the reclassification of one (1) billion unissued common shares with a par value of Php 1.00 per share to 1 billion Series “A” preferred shares with a par value of Php 1.00 per share. The SEC applications are in line with the approval of the Board of Directors during the special board meeting held on 25 April 2023, and approval of the Stockholders during the Annual Stockholders’ meeting held on 01 June 2023 on the amendment of Article VII of CLI’s AOI, including the creation of the new class of preferred shares.

Article VII of CLI’s latest Amended AOI grants to its Board of Directors the express authority to determine, fix, and approve all other features, salient and commercial terms, issuance and redemption features, and all other terms and conditions of the Series “A” preferred shares, including any tranche or sub-series thereof.

In relation thereto, and during its special board meeting held on 08 January 2024, the CLI Board of Directors approved and authorized the Company’s public offering (the “Offer”) of up to 3,000,000 Series “A” Preferred Shares with an oversubscription option of up to 2,000,000 Series “A” Preferred Shares (“Offer Shares”) at an offer price of Php 1,000 per share. The CLI Board of Directors also approved the terms and conditions of the Offer Shares during the same board meeting.

b. Terms of the securities

The following are the board approved terms and conditions of the Series “A” Preferred Shares:

| | | | |
|----|-----------------------|---|--------------------------------------|
| 1. | Issuer or the Company | : | Cebu Landmasters, Inc. (also, “CLI”) |
|----|-----------------------|---|--------------------------------------|

| | | | |
|----|--|---|---|
| 2. | Instrument | : | Perpetual, cumulative, non-voting, non-participating, non-convertible, and redeemable Philippine Peso-denominated preferred shares to be issued from the Issuer’s unissued Series “A” Preferred Shares with par value of ₱1.00 per share and in two subseries to be denominated as “Series A-1 Preferred Shares” and “Series A-2 Preferred Shares” (please refer to the additional description below). |
| 3. | Offer Size | : | <p>Primary offering and sale of up to 3,000,000 Series “A” Preferred Shares (“Firm Shares”) worth an aggregate issue amount of up to ₱3.0 billion (“Base Offer”) with an oversubscription option of up to 2,000,000 Series “A” Preferred Shares (“Oversubscription Option Shares”) worth an aggregate issue amount of up to ₱2.0 billion (“Oversubscription Option”, and together with the Base Offer, the “Offer”) to be offered in up to two subseries, namely: Series A-1 Preferred Shares, and Series A-2 Preferred Shares (<i>collectively, the “Offer Shares” or, for purposes of this Offer and unless the context otherwise provides, the “Series A Preferred Shares”</i>).</p> <p>The Issuer, in consultation with the Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two subseries at the end of the Offer Period based on the results of bookbuilding.</p> |
| 4. | Base Offer | : | Up to 3,000,000 Offer Shares |
| 5. | Oversubscription Option | : | In the event of an oversubscription, the Joint Lead Underwriters and Joint Bookrunners, in consultation with the Issuer, reserve the right, but do not have the obligation, to increase the Offer size by up to 2,000,000 Offer Shares, subject to the applicable requirements of the Securities and Exchange Commission (“ SEC ”). |
| 6. | Offer Price | : | ₱1,000.00 per Offer Share |
| 7. | Registration and Listing | : | The Offer Shares are to be registered with the SEC and intended to be listed on the Main Board of The Philippine Stock Exchange, Inc. (“ PSE ”), subject to compliance with applicable SEC regulations and PSE listing rules. |
| 8. | Dividend Payment Dates and Dividend Payment Computation | : | <p>The Offer Shares will, subject to the dividend payment conditions (see below), bear cash dividends based on the Offer Price, payable quarterly in arrears on each dividend payment date as will be indicated in the Prospectus (each, a “Dividend Payment Date”).</p> <p>As and if declared by the Issuer in accordance with the terms and conditions of the Offer Shares, dividends will be payable on each date of each year designated in the Prospectus as a Dividend Payment Date, being the last day of each three-month dividend period (a “Dividend Period”).</p> <p>If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid; provided that if the Issue Date is set at a date other than the specific date indicated in the Prospectus as the Issue Date, then the Dividend Payment Dates will be automatically adjusted to the numerically</p> |

| | | | |
|-----|-------------------------------|---|---|
| | | | <p>corresponding dates at every three months following the actual Issue Date.</p> <p>Dividends will be calculated on a 30/360-day basis.</p> |
| 9. | Initial Dividend Rate | : | <p>The initial dividend rate (the “Initial Dividend Rate”) for each subseries will be equivalent to the sum of the three-day simple average of the relevant PHP BVAL reference rate plus a Credit Spread. The Credit Spread will be determined via a book building process.</p> <p>The PHP BVAL reference rates for each subseries shall be as follows:</p> <ul style="list-style-type: none"> • Series A-1 Preferred Shares: 4-year PHP BVAL • Series A-2 Preferred Shares: 7-year PHP BVAL <p>“BVAL” means the Bloomberg Valuation Service.</p> |
| 10. | Dividend Rate Step-Up | : | <p>Unless the Offer Shares are redeemed by the Issuer on these dates pursuant to the applicable optional redemption provisions, the Initial Dividend Rate shall be adjusted:</p> <ul style="list-style-type: none"> (i) in respect of the Series A-1 Preferred Shares, on the 4th anniversary of the Listing Date (the “Series A-1 Step-Up Date”), and (ii) in respect of the Series A-2 Preferred Shares, on the 7th anniversary of the Listing Date (the “Series A-2 Step-Up Date”), <p>respectively as follows:</p> <ul style="list-style-type: none"> (a) for the Series A-1 Preferred Shares, the higher of the (i) Series A-1 Initial Dividend Rate; or (ii) the Series A-1 Step-Up Benchmark Rate (as hereinafter defined) plus 300 basis points; and (b) for the Series A-2 Preferred Shares, the higher of the (i) Series A-2 Initial Dividend Rate; or (ii) the Series A-2 Step-Up Benchmark Rate (as hereinafter defined) plus 300 basis points. |
| 11. | Step-Up Benchmark Rate | : | <p>The “Step-Up Benchmark Rate” will be equivalent to as follows:</p> <ul style="list-style-type: none"> (a) for the Series A-1 Preferred Shares, the simple average of the 7-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing & Exchange Corp. or PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three Business Days immediately preceding and inclusive of the Series A-1 Step-Up Date (the “Series A-1 Step-Up Benchmark Rate”); and (b) for the Series A-2 Preferred Shares, the simple average of the 15-year PHP BVAL reference rate as published on the website of the Philippine Dealing System, or if unavailable, the Philippine Dealing & Exchange Corp. or PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three Business Days immediately preceding and inclusive of the Series A-2 Step-Up Date (the “Series A-2 Step-Up Benchmark Rate”). <p>In the event that the BVAL reference rate is replaced by a new benchmark rate as determined by the Bankers Association of the</p> |

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|-----|--|--|
| | | <p>Philippines (“BAP”) or the <i>Bangko Sentral ng Pilipinas</i> (“BSP”), such new benchmark rate shall be adopted for purposes of determining the Dividend Rate (the “New Benchmark Rate”). In the absence of such New Benchmark Rate as determined by the BAP or the BSP and there is a mandatory directive by the BAP or the BSP to no longer use or apply BVAL, the Issuer and the Joint Lead Underwriters and Joint Bookrunners shall exert their best efforts to negotiate and adopt an alternative rate that will serve as the New Benchmark Rate.</p> |
| 12. | <p>Conditions on Declaration of Payment of Cash Dividends</p> | <p>The Board of Directors of the Issuer has full discretion over the declaration and payment of dividends on the Offer Shares, to the extent permitted by law.</p> <p>The Board of Directors of the Issuer will not declare and pay dividends on any Dividend Payment Date where, in its opinion:</p> <ul style="list-style-type: none"> (a) payment of the dividend would cause the Issuer to breach any of its financial covenants; or (b) the unrestricted retained earnings available to the Issuer for distribution as dividends are not sufficient to enable the Issuer to pay the dividends in full on all other classes of the Issuer’s outstanding shares that are scheduled to be paid on or before any Dividend Payment Date and that have an equal right and priority to dividends as the Offer Shares. <p>If the unrestricted retained earnings available to distribute as dividends are, in the Board of Directors’ opinion, not sufficient to enable the Issuer to pay both dividends on the Offer Shares and the dividends on other shares that have an equal right and priority to dividends as the Offer Shares, in full and on the same date, then the Issuer may:</p> <ul style="list-style-type: none"> (1) <i>first</i>, pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that dividend payment date on any shares with a right to dividends ranking higher in priority to that of the Offer Shares; and (2) <i>second</i>, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in such retained earnings <i>pro rata</i> to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on any past cumulative dividends on any shares ranking equal in priority with the Offer Shares to receive dividends. <p>The retained earnings available for distribution are, in general and with some adjustments, equal to the Issuer’s accumulated realized profits less accumulated, realized losses, and in general, are subject to the regulations of the SEC.</p> <p>The Issuer covenants that, in the event:</p> <ul style="list-style-type: none"> (a) any cash dividends due with respect to any Offer Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains outstanding arrears of dividends on any of the Offer Shares; or |

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| | | | <p>(c) any other amounts payable under the terms and conditions of the Offer Shares are not paid in full when due for any reason,</p> <p>then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking <i>pari passu</i> with, or junior to, the Offer Shares (or contribute any money to a sinking fund for the redemption of any securities ranking <i>pari passu</i> with, or junior to, the Offer Shares) until any and all arrears of dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares (unless such declaration or payment of dividends or distributions in respect of <i>pari passu</i> securities shall be in accordance with the paragraph numbered (2) of this section in respect of <i>pro rata</i> payment between the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in the retained earnings).</p> |
| 13. | Cumulative Dividends; Non-Participating | : | <p>Dividends on the Offer Shares will be cumulative. If for any reason the Issuer's Board of Directors does not declare a dividend on the Offer Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Payment Date.</p> <p>Holders of the Offer Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.</p> |
| 14. | Payment on the Shares | : | <p>All payments of dividends and any other amounts under the Offer Shares shall be paid by the Issuer in Philippine Pesos. On the relevant payment dates, the Paying Agent shall make available to holders of the Offer Shares, checks drawn against the Payment Settlement Account in the amount due to each holder of the Offer Shares of record as of the relevant Record Date, either:</p> <ul style="list-style-type: none">(a) for pick-up by the holder of the Offer Shares or its duly authorized representative at the office of the Paying Agent, or(b) delivery via courier or, if courier service is unavailable for deliveries to the address of the relevant holder of the Offer Shares,<ul style="list-style-type: none">(i) via mail, at the holder's risk, to the address of the holder of the Offer Shares appearing in the Register of Shareholders, or(ii) deposit and pay the amount due to each shareholder as of the relevant record date to the bank account nominated by the holder of the Offer Shares; provided that such holder has complied with the credit-to-account requirements of the Paying Agent and such holder's nominated bank account has qualified for the credit-to-account facility of the Paying Agent. |

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| 15. | In general: Perpetual/No Fixed Maturity | : The Offer Shares are equity securities in the capital stock of the Issuer and thus have no fixed maturity or mandatory redemption date. However, the Offer Shares may be redeemed by the Issuer pursuant to the applicable provisions on redemption (see below sections on “ <i>Optional Redemption and Purchase</i> ” and “ <i>Early Redemption Due to Occurrence of a Tax Event or Accounting Event</i> ”). Based on these provisions, the Offer Shares are not repayable in cash unless the Board of Directors of the Issuer should approve resolutions providing for the optional redemption of the Offer Shares for the cash redemption amount set out in the terms and conditions of the Offer Shares, at the sole discretion of the Board of Directors. Furthermore, holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares. |
| 16. | Optional Redemption and Purchase | : The Issuer has the option, but not the obligation, to redeem in whole (but not in part) any subseries of the outstanding Offer Shares (having given not less than 30 days’ prior notice by publication in two national newspapers): <ul style="list-style-type: none">(a) in respect of the Series A-1 Preferred Shares, on the payment date of the 16th Dividend Period, which indicatively will be on the 4th anniversary of the Issue Date, or on any Dividend Payment Date thereafter, and(b) in respect of the Series A-2 Preferred Shares, on the payment of the 28th Dividend Period, which indicatively will be on the 7th anniversary of the Issue Date, or on any Dividend Payment Date thereafter (each, an “ Optional Redemption Date ” for each of the Series A-1 Preferred Shares and Series A-2 Preferred Shares). Exercise of the Issuer’s redemption option shall be completed by payment of the redemption price equal to the Offer Price plus any accrued and unpaid dividends after deduction for any tax and customary transfer costs to effect the redemption (the “ Redemption Payment ”). Administrative costs and expenses, including the cost of checks used, supplies, paying agent services, courier and mailing costs in relation to effecting the redemption shall be for the account of the Issuer. The Redemption Payment shall be made to the holders of the Offer Shares as of the Record Date set by the Issuer for such redemption. In the event the Optional Redemption Date which the Issuer has chosen as the date to redeem any or both of the subseries of the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Payment, and the amount of dividends to be paid. Subject to compliance with applicable law, the Issuer may purchase the Offer Shares at any time at any price either through the PSE, by public tender or through negotiated transactions. Unless the Articles of Incorporation of the Issuer are amended to state that the Offer Shares are not re-issuable, any Offer Shares redeemed or purchased by the Issuer shall be recorded as treasury stock of the Issuer and may be re-issued in the future at such terms and at such time as the Issuer may determine. |

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| 17. | Early Redemption Due to Occurrence of a Tax Event or Accounting Event | : | <p>If a Tax Event or Accounting Event occurs, the Issuer may redeem in whole, but not in part, any subseries of the outstanding Offer Shares at any time (having given not more than 60 nor less than 30 days' prior notice) at the Redemption Payment; provided that if the Tax Event or Accounting Event is specific to a particular subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.</p> <p>A "Tax Event" shall occur if payments on the Offer Shares become subject to additional or higher withholding tax or any new tax for the account of the Issuer (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer.</p> <p>An "Accounting Event" shall occur if an opinion of a recognized accountancy firm authorized to perform auditing services in the Republic of the Philippines has been delivered to the Issuer stating that the Offer Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with Philippine Financial Reporting Standard ("PFRS"), or such other accounting standards which succeed PFRS as adopted by the Issuer for the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer.</p> <p>Exercise of the Issuer's redemption option based on a Tax Event or Accounting Event shall be completed by payment of the Redemption Payment. Administrative costs and expenses, including the cost of checks used, supplies, paying agent services, courier and mailing costs in relation to effecting the redemption shall be for the account of the Issuer. The Redemption Payment shall be made to the holders of the Offer Shares as of the Record Date set by the Issuer for such redemption.</p> |
| 18. | No Sinking Fund | : | <p>The Issuer is not legally required, has not established, and currently does not intend to establish a sinking fund for the redemption of the Offer Shares.</p> |
| 19. | Philippine Taxation | : | <p>All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, documentary stamp, issue, registration, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Issuer shall not apply to:</p> <p>(a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares prescribed under the Tax Code including any additional tax on such dividends imposed by changes in law, rule, or regulation;</p> <p>(b) any income tax (whether or not subject to withholding), percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the</p> |

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| | | <p>Offer Shares or any liquidating distributions as may be received by a holder of the Offer Shares;</p> <p>(c) any expanded value-added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the Offer;</p> <p>(d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend or amount payable to any holder of Offer Shares or any entity which is a non-resident foreign corporation; and</p> <p>(e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of such holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).</p> <p>All sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges provided said entities present proof of such tax-exempt status from the tax authorities and other documents as may be required by the Issuer in its discretion. Any documentary stamp tax for the recording of the Offer Shares in the name of a holder of the Offer Shares shall be for the account of and paid for by the Issuer. After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any holder of such Offer Shares, including receipt by said holder of a Redemption Payment, shall be for the account of the said holder.</p> |
| 20. | Liquidation Rights | : <p>In the event of a return of capital in respect of the Issuer's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by the Issuer of any of its share capital), the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the Issuer's assets available for distribution to shareholders (after payment of debts and liabilities to creditors), together with the holders of any other of the Issuer's shares ranking, as regards repayment of capital, <i>pari passu</i> with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer's shares ranking junior to the Offer Shares as regards repayment of capital, liquidating distributions equal to the Offer Price plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then-current Dividend Period to (and including) the date of commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the Issuer's winding up, the amount payable with respect to the Offer Shares and any other of the Issuer's shares ranking as to any such distribution <i>pari passu</i> with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share ratably in any such distribution of the Issuer's assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the Issuer's remaining assets and will not be entitled to any further participation or return of capital in a winding up.</p> |

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| 21. | Non-Convertible | : | <p>Holders of the Offer Shares shall have no right to convert the Offer Shares to any other shares or securities of the Issuer.</p> <p>For the avoidance of doubt, the Board of Directors of the Issuer has determined that the Offer Shares (which are Series “A” Preferred Shares) shall not be convertible to common shares, and accordingly, the reference to “mutually acceptable terms” on convertibility as set out in Article Seven of the Articles of Incorporation of the Issuer, as amended to date, does not apply to the Offer Shares.</p> |
| 22. | No Pre-Emptive Rights | : | <p>Holders of the Offer Shares shall have no pre-emptive rights to subscribe to or purchase any shares (including, without limitation, treasury shares) that may be issued or sold by the Issuer.</p> |
| 23. | Non-Voting | : | <p>The Offer Shares shall have no voting rights except as specifically provided by the Revised Corporation Code. Thus, holders of Offer Shares shall not be eligible, for example, to vote for or elect the Issuer’s Directors or to vote for or against the issuance of a stock dividend.</p> |
| 24. | Re-issuability | : | <p>Under the Articles of Incorporation of the Issuer, as amended to date, the Series “A” Preferred Shares are reissuable such that in case of redemption, the Series “A” Preferred Shares shall not be considered retired and may be re-issued by the Issuer on such terms and conditions as may be determined and approved by the Board of Directors.</p> <p>Nonetheless, the Issuer may subsequently amend its Articles of Incorporation to provide that all the Series “A” Preferred Shares in its authorized capital stock (or only the Offer Shares) shall, upon redemption, be cancellable and retired, in case the Issuer determines that it is more beneficial to it and/or the holders thereof.</p> |
| 25. | Status of the Offer Shares | : | <p>The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least <i>pari passu</i> in all respects and ratably without preference or priority among themselves and with all other preferred shares issued by the Issuer.</p> <p>The Issuer is at liberty from time to time without the consent of the holders of the Offer Shares to create and issue additional preferred shares or securities either (a) ranking at least <i>pari passu</i> in all respects with the Offer Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Issuer may determine at the time of the issue.</p> |
| 26. | Form, Title and Registration of the Offer Shares | : | <p>The Offer Shares will be issued in scripless form through the electronic book-entry system of the appointed Stock Transfer Agent and lodged with the Philippine Depository Trust Corporation (“PDTC”) as depository agent on Listing Date through PSE trading participants nominated by the applicants.</p> <p>After Listing Date, shareholders may request the Stock Transfer Agent, through their nominated PSE trading participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name (“name-on-registry account”), or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.</p> <p>Legal title to the Offer Shares will be shown in the Registry of Shareholders which shall be maintained by the Stock Transfer Agent. Without prejudice to its procedure as may be agreed with the Issuer, the Stock Transfer Agent shall send a transaction confirmation advice confirming every receipt or transfer of the</p> |

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| | | | <p>Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Stock Transfer Agent shall send (at the cost of the Issuer) at least once every year a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Stock Transfer Agent, except as provided herein, shall be for the account of the requesting shareholder.</p> <p>For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.</p> <p>Initial placement of the Offer Shares and subsequent transfers of interests in the Offer Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time.</p> <p>Philippine law does not require transfers of the Offer Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange, and documentary stamp tax. All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines.</p> |
| 27. | Title and Transfer | : | <p>Legal title to the Offer Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of Shareholders to be maintained by the Stock Transfer Agent. Settlement in respect of such transfer or change of title to the Offer Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities in the PSE.</p> |
| 28. | Governing Law | : | <p>The Offer Shares will be issued pursuant to, and the terms and conditions of the Offer Shares will be governed by, the laws of the Republic of the Philippines.</p> |

c. (1) Nature and approximate amount of consideration received or to be received by the registrant

CLI’s primary offering and sale is up to 3,000,000 Series “A” Preferred Shares (“**Firm Shares**”) worth an aggregate issue amount of up to ₱3.0 billion (“**Base Offer**”) with an oversubscription option of up to 2,000,000 Series “A” Preferred Shares (“**Oversubscription Option Shares**”) worth an aggregate issue amount of up to ₱2.0 billion (“**Oversubscription Option**”, and together with the Base Offer, the “**Offer**”) to be offered in up to two subseries, namely: **Series A-1 Preferred Shares**, and **Series A-2 Preferred Shares** (*collectively, the “Offer Shares” or, for purposes of this Offer and unless the context otherwise provides, the “Series A Preferred Shares”*).

The Issuer, in consultation with the Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two subseries at the end of the Offer Period based on the results of bookbuilding.

(2) Approximate amount devoted to each purpose for which the net proceeds have been or are to be used

CLI estimates that the net proceeds of the Offer shall amount to approximately ₱2,972,289,375 after fees, commissions, and expenses assuming the Oversubscription Option is not exercised. On the other hand, CLI estimates that the net proceeds of the Offer shall amount to approximately ₱4,963,269,375 after fees, commissions, and expenses assuming the Oversubscription Option is fully exercised.

In case the Oversubscription Option is not exercised at all, net proceeds of the Offer shall be used (i) to partially finance project development or capital expenditures of CLI's various projects; and (ii) for general corporate purposes, as set out below.

| Type | Allocation from the Net Proceeds of the Offer | Percentage of the Gross Proceeds | Schedule of Disbursement |
|---|---|----------------------------------|--------------------------------|
| Project development or capital expenditures of CLI's various projects | ₱2.10 billion | 70% | within 12 months from issuance |
| General corporate purposes | ₱872,289,375 | 29% | within 12 months from issuance |
| Total | ₱2,972,289,375 | 99% | |

There is no order of priority for the project developments in the use of proceeds. The breakdown of the project development or capital expenditures for CLI's various projects are as follows:

| No. | PROJECT | LOCATION | TYPE | Allocation from the Net Proceeds of the Offer | % of Gross Proceeds | % of Completion (before usage of proceeds) | Estimated Cost-to-Complete (before usage of proceeds) | Estimated Completion Date |
|-----|-----------------------------|--------------------------|-------------|---|---------------------|--|---|---------------------------|
| 1 | Casa Mira Homes Butuan | Butuan, Agusan del Norte | House & Lot | ₱750 million | 25% | 0% | ₱900 million | 2028 |
| 2 | Mirani Steps Danao | Danao, Cebu | House & Lot | ₱600 million | 20% | 0% | ₱800 million | 2028 |
| 3 | Velmiro Heights Consolacion | Consolacion, Cebu | House & Lot | ₱750 million | 25% | 0% | ₱900 million | 2028 |
| | TOTAL | | | ₱2.1 billion | 70% | | | |

* Projects are in planning/designing phase, and the permits are under application, but set to launch and start construction within 12 months from the date of this Information Statement.

The allocation for general corporate purposes will be used by CLI for the following:

| General Corporate Purposes | Allocation from the Net Proceeds of the Offer | % of Gross Proceeds |
|--|---|---------------------|
| Design fees, permits, market studies, marketing and advertisements, proprietary software and applications, establishment of more office locations and branches, among other expenses | ₱872,289,375 | 29.06% |

Use of Net Proceeds: Full Exercise of Oversubscription Option

In case the Oversubscription Option is fully exercised, net proceeds of the Offer shall be used (i) to partially finance project development or capital expenditures of CLI's various projects; and (ii) for general corporate purposes, as set out below.

| Type | Allocation from the Net Proceeds of the Offer | Percentage of the Gross Proceeds | Schedule of Disbursement |
|---|---|----------------------------------|--------------------------------|
| Project development or capital expenditures of CLI's various projects | ₱4.25 billion | 85% | within 12 months from issuance |
| General corporate purposes | ₱713,269,375 | 14.16% | within 12 months from issuance |
| Total | ₱4,963,269,375 | 99.16% | |

There is no order of priority for the project developments in the use of proceeds. The breakdown of the project development or capital expenditures for CLI's various projects are as follows:

| No. | PROJECT | LOCATION | TYPE | Allocation from the Net Proceeds of the Offer | % of Gross Proceeds | % of Completion (before usage of proceeds) | Estimated Cost-to-Complete (before usage of proceeds) | Estimated Completion Date |
|-----|------------------------------------|--------------------------|--------------|---|---------------------|--|---|---------------------------|
| 1 | Casa Mira Homes Butuan | Butuan, Agusan del Norte | House & Lot | ₱750 million | 15% | 0% | ₱900 million | 2028 |
| 2 | Mirani Steps Danao | Danao, Cebu | House & Lot | ₱600 million | 12% | 0% | ₱800 million | 2028 |
| 3 | Velmiro Heights Consolacion | Consolacion, Cebu | House & Lot | ₱750 million | 15% | 0% | ₱900 million | 2028 |
| 4 | Casa Mira Towers Palawan Expansion | Puerto Princesa, Palawan | Condo minium | ₱750 million | 15% | 0% | ₱900 million | 2028 – 2029 |
| 5 | Casa Mira Homes Davao | Magtuod, Davao | House & Lot | ₱750 million | 15% | 10% | ₱900 million | 2027 -- 2028 |
| 6 | Velmiro Heights Davao | Magtuod, Davao | House & Lot | ₱650 million | 13% | 0% | ₱800 million | 2028 |
| | TOTAL | | | ₱4.25 billion | 85% | | | |

* Projects are in planning/designing phase, and the permits are under application, but set to launch and start construction within 12 months from the date of this Information Statement.

The allocation for general corporate purposes will be used by CLI for the following:

| General Corporate Purposes | Allocation from the Net Proceeds of the Offer | % of Gross Proceeds |
|--|---|---------------------|
| Design fees, permits, market studies, marketing and advertisements, proprietary software and applications, establishment of more office locations and branches, among other expenses | ₱713,269,375 | 14.16% |

d. If the securities are to be issued other than in a public offering for cash

The Offer Shares or Series A Preferred Shares, as defined above, shall not be issued other than in a public offering for cash.

Item 10. Modification or Exchange of Securities

As discussed in Item 9 above, and pursuant to the duly issued SEC Certificates of Filing of Amended Articles of Incorporation, one (1) billion of the unissued common shares of CLI with a par value of Php 1.00 per share were reclassified to 1 billion Series “A” preferred shares with a par value of Php 1.00 per share.

Please see summary matrix below:

| | Stockholdings Before Reclassification | Reclassification | Stockholdings After Reclassification |
|-----------------------------------|---------------------------------------|----------------------|--------------------------------------|
| A. Authorized Capital Stock (ACS) | | | |
| Common, P1.00 | P 10,000,000,000.00 | (P 1,000,000,000.00) | P 9,000,000,000.00 |
| Preferred, Series A, P1.00 | 0.00 | 1,000,000,000.00 | 1,000,000,000.00 |

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|-----------------------------------|---------------------|--------|---------------------|
| Preferred, Series B, P0.10 | 100,000,000.00 | 0.00 | 100,000,000.00 |
| Totals | P 10,100,000,000.00 | P 0.00 | P 10,100,000,000.00 |
| B. Subscribed Capital Stock (SCS) | | | |
| Common, P1.00 | P 3,623,451,997.00 | 0.00 | P 3,623,451,997.00 |
| Preferred, Series A, P1.00 | 0.00 | 0.00 | 0.00 |
| Preferred, Series B, P0.10 | 0.00 | 0.00 | 0.00 |
| Totals | P 3,623,451,997.00 | P 0.00 | P 3,623,451,997.00 |
| C. Paid-up Capital (PUC) | | | |
| Common, P1.00 | P 3,623,451,997.00 | 0.00 | P 3,623,451,997.00 |
| Preferred, Series A, P1.00 | 0.00 | 0.00 | 0.00 |
| Preferred, Series B, P0.10 | 0.00 | 0.00 | 0.00 |
| Totals | P 3,623,451,997.00 | P 0.00 | P 3,623,451,997.00 |

| | Before Reclassification | Reclassification | After Reclassification |
|------------------------|-------------------------|----------------------|------------------------|
| Authorized (ACS) | | | |
| A. Common | | | |
| 1. Issued | P 3,623,451,997.00 | 0.00 | P 3,623,451,997.00 |
| 2. Unissued | 6,376,548,003.00 | (P 1,000,000,000.00) | 5,376,548,003.00 |
| Total | P 10,000,000,000.00 | | P 9,000,000,000.00 |
| B. Preferred, Series A | | | |
| 1. Issued | 0.00 | 0.00 | 0.00 |
| 2. Unissued | 0.00 | 1,000,000,000.00 | 1,000,000,000.00 |
| Total | 0.00 | | P 1,000,000,000.00 |
| C. Preferred, Series B | | | |

| | | | |
|--------------|-------------------------|------|-------------------------|
| 1. Issued | 0.00 | 0.00 | 0.00 |
| 2. Unissued | 100,000,000.00 | 0.00 | 100,000,000.00 |
| Total | P 100,000,000.00 | | P 100,000,000.00 |

Article VII of CLI’s latest Amended AOI grants to its Board of Directors the express authority to determine, fix, and approve all other features, salient and commercial terms, issuance and redemption features, and all other terms and conditions of the Series “A” preferred shares, including any tranche or sub-series thereof.

In relation thereto, and during its special board meeting held on 08 January 2024, the CLI Board of Directors approved and authorized the Company’s public offering (the “Offer”) of up to 3,000,000 Series “A” Preferred Shares with an oversubscription option of up to 2,000,000 Series “A” Preferred Shares (“Offer Shares”) at an offer price of Php 1,000 per share. The CLI Board of Directors also approved the terms and conditions of the Offer Shares during the same board meeting.

Item 11. Financial and Other Information

(a) Required Information

(1) Financial Statements

Copies of CLI’s consolidated financial statements as of and for the period ending September 30, 2023, prepared in accordance with SRC Rule 68 as amended, may be downloaded from CLI’s website or mailed to any security holder upon written request made to CLI Investors Relations Officer, Ms. Clarissa Mae A. Cabalda, who may be reached by email at clarissa@cebulandmasters.com or at her office address: 19th Floor Park Centrale Tower, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City 6000.

(2) Seasonal Aspect that has Material Effects on the Financial Statements

As of the reporting period, there is no seasonal aspect that may have material effects on the Financial Statements of the Company.

(3) Management’s Discussion and Analysis and Plan of Operation

Please refer to Annex “F” for the complete management’s discussion, analysis, and plan of operation of the Company.

(4) CLI’s General Nature and Scope of Business

CLI was incorporated in the Philippines and registered with the Securities and Exchange Commission on September 26, 2003. The Company is presently engaged in real estate development, sale, and leasing. Its major projects include Asia Premier Residences, Midori Plains, Midori Residences, Park Centrale, Velmiro Heights, Base Line Center, Casa Mira Towers in Labangon, Guadalupe and Mandaue, Casa Mira Linao and Casa Mira South subdivisions, San Josemaria Villages, Mivesa Garden Residences, Mivela Garden Residences, Citadines Cebu City, Latitude Corporate Center, Astra Centre, and 38 Park Avenue, which are all located in Cebu. CLI also has projects in Bacolod, Bohol, Davao, Dumaguete, Cagayan de Oro, and Iloilo. Through joint ventures, the Company also owns several hotels, office condominiums in various cities, and a 23-hectare central business district in Davao City.

(5) Identity of Directors, Executive Officers, Business and Occupation

Please refer to the disclosure in Item 5 above.

(6) Market Price and Dividends

Market Information

CLI listed its common shares with the Philippine Stock Exchange on June 2, 2017.

Philippine Stock Exchange
Prices (in PHP/ share)

| | High | Low | Close |
|---|------|------|-------|
| 2017 | | | |
| Second Quarter (month of June only) | 5.98 | 5.13 | 5.34 |
| Third Quarter | 5.51 | 4.58 | 5.07 |
| Fourth Quarter | 5.17 | 4.59 | 4.88 |
| 2018 | | | |
| First Quarter | 5.12 | 4.21 | 4.70 |
| Second Quarter | 5.06 | 4.48 | 4.58 |
| Third Quarter | 4.73 | 4.27 | 4.42 |
| Fourth Quarter | 4.59 | 3.60 | 4.14 |
| 2019 | | | |
| First Quarter | 4.29 | 4.19 | 4.20 |
| Second Quarter | 4.89 | 4.80 | 4.83 |
| Third Quarter | 4.75 | 4.70 | 4.74 |
| Fourth Quarter | 4.83 | 4.67 | 4.83 |
| 2020 | | | |
| First Quarter | 3.80 | 3.70 | 3.72 |
| Second Quarter | 5.10 | 4.35 | 4.69 |
| Third Quarter | 4.92 | 4.83 | 4.90 |
| Fourth Quarter | 5.05 | 4.99 | 5.05 |
| 2021 *price after stock dividends resulting in a price split | | | |
| First Quarter | 2.65 | 2.60 | 2.64 |
| Second Quarter | 3.85 | 3.72 | 3.77 |
| Third Quarter | 3.00 | 2.89 | 2.95 |
| Fourth Quarter | 3.00 | 2.73 | 3.00 |
| 2022 | | | |
| First Quarter | 3.02 | 2.71 | 2.97 |
| Second Quarter | 3.06 | 2.48 | 2.50 |
| Third Quarter | 2.60 | 2.19 | 2.34 |
| Fourth Quarter | 2.80 | 2.20 | 2.80 |
| 2023 | | | |
| First Quarter | 2.68 | 2.60 | 2.63 |

| | | | |
|----------------|------|------|------|
| Second Quarter | 2.60 | 2.56 | 2.59 |
| Third Quarter | 2.66 | 2.64 | 2.65 |
| Fourth Quarter | 2.53 | 2.47 | 2.47 |

The market capitalization of CLI as of end-2023, based on the closing price of ₱2.47 share, was approximately ₱8,559,047,623.49 billion. As of 31 December 2023, the number of persons holding CLI common shares is twenty-one (21). On 05 January 2024, shares in the Company finished at ₱2.58 /share.

Dividends Declared

CLI has declared the following cash and stock dividends.

Cash Dividends

On 20 March 2023, the Board of Directors declared a regular cash dividend of ₱0.15 per share and a special cash dividend of ₱0.03 per share for stockholders of record as of 18 April 2023 to be paid on 28 April 2023.

| Year of Dividend Declaration | Rate of Dividend Declared per Share (in ₱) | Record Date | Amount Paid (in ₱) |
|------------------------------|--|--------------------|--------------------|
| 2014 | 12.50 | November 3, 2014 | 48,000,000 |
| 2015 | 7.19 | February 28, 2015 | 42,000,000 |
| 2015 | 10.27 | June 15, 2015 | 60,000,000 |
| 2015 | 8.56 | October 15, 2015 | 50,000,000 |
| 2015 | 5.66 | December 15, 2015 | 50,000,000 |
| 2016 | 2.26 | March 31, 2016 | 20,000,000 |
| 2016 | 5.99 | August 31, 2016 | 52,943,457 |
| 2016 | 4.32 | September 15, 2016 | 38,150,000 |
| 2016 | 1.70 | September 30, 2016 | 15,000,000 |
| 2016 | 0.74 | November 21, 2016 | 650,000,000 |
| 2016 | 0.05 | December 1, 2016 | 40,000,000 |
| 2016 | 0.03 | December 1, 2016 | 40,000,000 |
| 2018 | 0.15 | March 23, 2018 | 235,186,980 |
| 2019 | 0.20 | March 26, 2019 | 332,590,000 |
| 2020 | 0.25 | April 3, 2020 | 414,795,000 |
| 2021 | 0.25 | April 16, 2021 | 388,749,900 |
| 2022 | 0.112 (Regular) 0.038 (Special) | April 22, 2022 | 519,780,220 |
| 2023 | 0.15 (Regular) 0.03 (Special) | April 18, 2023 | 623,736,264 |

Stock Dividends

| Year of Dividend Declaration | Rate of Dividend Declared per Share (in ₱) | Record Date | No. of Shares |
|------------------------------|--|-------------------|---------------|
| 2014 | 0.5208 | November 30, 2014 | 2,000,000 |
| 2015 | 0.3394 | December 15, 2015 | 3,000,000 |
| 2021 | 1.23 | June 18, 2021 | 1,909,451,997 |

Holders

(i) Approximate number of holders of each class of common shares as of the 31 December 2023:

| | |
|--|---------------|
| Common Shares - Outstanding | 3,465,201,467 |
| Total number of stockholders (Common Shares) | 21 |
| No. of shares per board lot (Common Shares) | 1,000 |
| Total number of stockholders owning at least 1 board lot (Common Shares) | 17 |
| Common Shares - Treasury | 158,250,530 |
| Preferred Shares | None |

(ii), (iii), and (iv) Details as to the Top 20 CLI shareholders, number of shares held, and percentage of total issued and outstanding shares as of 31 December 2023:

| CLI Stockholder | No. of Shares Held | Percentage of Total Issued and Outstanding Shares |
|---------------------------------------|--------------------|---|
| AB SOBERANO HOLDINGS CORP. | 2,198,385,729 | 60.67% |
| PCD NOMINEE CORP. (FILIPINO) | 1,254,312,748 | 34.62% |
| AB SOBERANO HOLDINGS CORPORATION | 63,675,306 | 1.76% |
| PCD NOMINEE CORP. (NON-FILIPINO) | 31,304,587 | 0.86% |
| JOSE R. SOBERANO III | 31,220,000 | 0.86% |
| AB SOBERANO HOLDINGS CORP. | 21,345,560 | 0.59% |
| JOSE FRANCO B. SOBERANO | 7,247,500 | 0.2% |
| A B SOBERANO HOLDINGS CORP. | 5,463,500 | 0.15% |
| JANELLA MAE SOBERANO-WU | 5,017,500 | 0.14% |
| JOANNA MARIE S. BERGUNDTHAL | 5,017,500 | 0.14% |
| MA. NONA A. VELEZ | 300,000 | 0.00% |
| MYRNA P. VILLANUEVA | 39,300 | 0.001% |
| MYRA P. VILLANUEVA | 33,450 | 0.001% |
| MARIETTA V. CABREZA | 22,300 | 0.001% |
| MARIA LOURDES M. ONOZAWA | 22,300 | 0.001% |
| LOLITA SIAO-IGNACIO | 22,300 | 0.001% |
| MILAGROS P. VILLANUEVA | 22,300 | 0.001% |
| OWEN NATHANIEL S AU ITF; LI MARCUS AU | 111 | 0% |

| | | |
|------------------------------|---|----|
| JESUS N. ALCORDO | 2 | 0% |
| MA. AURORA D. GEOTINA-GARCIA | 2 | 0% |
| RUFINO LUIS T. MANOTOK | 2 | 0% |

(7) Sale of Unregistered or Exempt securities

There are no unregistered or exempt securities as well as securities constituting an exempt transaction issued by the Company during the year 2023.

(8) Compliance with Leading Practices on Corporate Governance

The Company is committed to doing business in accordance with the highest professional standards, business conduct and ethics and all applicable laws, rules, and regulations in the Philippines. The Company, its directors, officers, and employees are dedicated to promote and adhere to the principles of good corporate governance by observing and maintaining its core business principles of accountability, integrity, fairness, and transparency.

Independent Directors

Philippine regulations require the Company to have at least three (3) independent directors in its Board of Directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. The Company’s Board of Directors is composed of nine members, five (5) of whom are regular directors, three (3) are independent directors, and one (1) non-executive director. The Company’s independent directors are Atty. Ma. Jasmine S. Oporto, Rufino Luis T. Manotok, and Ma. Aurora D. Geotina-Garcia.

Under the SEC Revised Code of Corporate Governance, independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. The By-Laws of the Company do not provide for such quorum requirement. However, pursuant to the Company’s Manual of Corporate Governance to promote transparency, the Board requires the presence of at least one independent director in all its meetings.

Compliance Officer

During its organizational meeting held on 01 June 2023, the Board re-elected Atty. John Edmar G. Garde as CLI’s Compliance Officer who shall be in charge of the compliance function. In keeping with SEC Memorandum Circular No. 19, series of 2016 and pertinent issuances, the CLI Compliance Officer is not a member of the Board and is different from the Corporate Secretary. He is primarily liable to the Company and its shareholders, and not to its Chairman or President, and shall have the following duties and responsibilities:

- a. Ensure proper onboarding of new directors (i.e., orientation on the Company’s business, charter, Articles of Incorporation and By-laws, among others);
- b. Monitor, review, evaluate and ensure the compliance by the Company, its officers and directors with the relevant laws, the SEC Code of Corporate Governance, rules and regulations, and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to regulators;
- e. Appear before the SEC when summoned in relation to compliance with the SEC Code of Corporate Governance;
- f. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and work towards the resolution of the same;
- h. Ensure the attendance of board members and key officers to relevant trainings; and
- i. Perform such other duties and responsibilities as may be provided by the SEC.

Chief Audit Officer

The Chief Audit Officer, who will be appointed by the Board, directly reports functionally to the Audit Committee and administratively to the Chief Executive Officer. She oversees and is responsible for the internal audit activity of the Company, including that portion that is outsourced to a third-party service provider.

Resolving Stockholders' Disputes

Stockholders who have matters for discussion or concerns directly resulting to the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Officer; (c) Management; or (d) the Board.

Committees of the Board

The CLI Board of Directors has constituted certain committees to effectively manage the operations of the Company. The Company's principal committees include the Audit Committee, Risk Oversight Committee, Related-Party Transactions Committee, Nominations Committee, Corporate Governance Committee, and the Compensation and Benefits Committee.

A. Audit Committee

The Audit Committee is composed of at least three (3) board members, preferably with accounting and finance background, one of whom shall be an independent director and another should have related audit experience. The Chairman of this Committee is an independent director. She should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit Committee performs the following functions:

- a. Assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, internal and external audit process, and monitoring of compliance with applicable laws, rules and regulations;
- b. Recommends the approval the Internal Audit Charter ("IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- c. Through the Internal Audit ("IA") Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets;
- d. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Officer. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- e. Establishes and identifies the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- f. Reviews and monitors management's responsiveness to the internal auditor's findings and recommendations;
- g. Prior to the commencement of the audit, discusses with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- h. Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence;
- i. Reviews and approves the interim and annual financial statements before their submission to the Board;
- j. Reviews the disposition of the recommendations in the external auditor's management letter;
- k. Performs oversight functions over the Company's internal and external auditors and ensure the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions, taking into consideration relevant Philippine professional and regulatory requirements;

- l. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- m. Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the SEC, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders;
- n. Evaluates on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);

B. Risk Oversight Committee

This Committee is established to provide a venue for discussion of risk oversight issues for the purpose of fulfilling its corporate governance responsibilities through better integration and collaboration of risk oversight and audit management functions. The Committee shall have at least three (3) Directors, one (1) of whom shall be an independent director. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner removed as members of the Committee.

The Committee is authorized to deal with any activity within its charter, including the authority to secure the attendance of outsider experts with relevant experience and expertise as it deems necessary in the performance of its duties. Furthermore, the Committee shall represent the Board in discharging its responsibility relating to risk oversight matters. The Committee does not have decision-making authority, except in the circumstances described herein or to the extent that such authority is expressly delegated by the Board. Its functions include the following:

- a. Review and consider, at least once a year, the Corporation's risk management policy, with consideration of the strategic, operational, financial, legal and compliance, emerging, and project risks as well as any other form of risk as approved by the Board;
- b. Provide a forum to review exposures and strategies to mitigate risks with relevant senior officers and managers and make recommendations to the Board related to changes to the policy based on this review;
- c. Undertake a periodic review of the delegated authorization and control levels. Following consultation with the CEO, COO and CFO, make recommendations to the Board related to any changes in these levels seen to be appropriate based on this review;
- d. Review the Corporation's senior officers' and managers' proposed risk appetite and risk tolerance at least annually and if advisable, recommend it for Board approval;
- e. At least annually, review policies and procedures in consultation with individual business leaders and risk managers and recommend changes as appropriate;
- f. Monitor and review the Corporation's senior managers and officers' reports on the following:
 - 1. the Corporation's risk profile and identifying material risks associated with the Corporation's business and operations;
 - 2. emerging risk issues and trends;
 - 3. compliance with the risk appetite and risk tolerance limits and established policies and procedures; and
 - 4. overall adherence to the Corporation's defined risk appetite.
- g. Recommend to the Board external advisers when desired expertise for the specific need is not available internally; and
- h. Ensure the proper implementation of the risk oversight and management framework across the Corporation by identifying, evaluating and monitoring relevant issues to mitigate risk.

C. Related-Party Transactions Committee

The Related-Party Transactions Committee is constituted to promote transparency, fairness, and ensure that transactions of the Corporation are conducted at arm's-length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances. For this purpose, the Committee

shall review all transactions involving parties related to the Corporation if the same shall fall within the specific criteria set in writing and approved by the Board.

The Committee shall have three (3) members, one (1) of whom shall be an independent director. They shall hold office for a period of one (1) year from election until their successors are duly elected or sooner if removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- a. Recommend to the Board specific criteria under which related-party transactions ("RPTs") may be subject to review by the Committee prior to its approval by the Board;
- b. Propose to the Board policies related to conflicts of interest and recommend a system to identify, monitor, report, and conduct periodic review of RPTs;
- c. Evaluate all existing relations between and among businesses and counterparties of the Corporation to ensure all related parties are continuously identified, transactions are monitored, and subsequent changes in relationships (from non-related to related and vice versa) are captured;
- d. Evaluate all RPTs subject of review by the Committee to ensure no business resources of the Corporation are misappropriated or misapplied, and determine any potential reputational risks that may arise from such transactions. In evaluating RPTs, the Committee shall consider, among others, the following:
 1. The related party's relationship to the Corporation, its interest in the transaction and the benefits to the Corporation;
 2. The material facts of the RPT such as the aggregate value of the transaction; and
 3. The availability of other sources of comparable products, services, or terms and conditions from unrelated party/parties under similar circumstances;
- e. Ensure that appropriate disclosures are promptly made and/or information provided to regulators;
- f. Report to the Board on a regular basis status of RPTs subject of its review, the aggregate exposures to each related party as well as the total amount of exposures to all related parties.

D. Corporate Governance Committee

The Committee assists the Board in performing corporate governance responsibilities and ensures compliance with and proper observance of corporate governance principles and practices. The Committee shall have three (3) directors, at least two (2) of whom shall be independent directors. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner if removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- a. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains relevant in light of material changes to the Corporation's size, complexity and business strategy, as well as its compliance with regulatory requirements of relevant government agencies such as but not limited to the Securities and Exchange Commission, Philippine Stock Exchange, Housing and Land Use Regulatory Board, Department of Environment and Natural Resources, and local government units;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct annual self-evaluation of its performance;
- c. Ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Determine the nomination and election process for the Corporation's directors and establish and maintain a process to ensure that all candidates/nominees at the Annual Stockholders Meeting are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations, assessing whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibility to the Board and in light of the

Corporation's business and risk profile; (2) maintain integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between Board members;

e. Recommend continuing education/training programs for directors, assignment of tasks/projects to Board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;

f. Review and evaluate the qualifications of all individuals to be appointed to such positions within the Corporation that require Board approval;

g. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and providing oversight over remuneration of senior management and other key personnel, ensuring that the policy is consistent with the Corporation's culture, strategy, and the business environment in which it operates;

h. Review the Corporation's human resources development or personnel handbook to strengthen provisions on conflict of interest and directives on promotion and career advancement;

i. Other functions as may be delegated by the Board.

E. Nomination Committee

The Nomination Committee of the Board shall have at least three (3) members, one (1) of whom shall be an independent director. The Nomination Committee passes upon the qualifications of the nominees and ascertains that they do not possess any of the disqualifications.

The Nomination Committee reviews and evaluates the qualifications of all individuals nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members.

Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the Company.

F. Compensation and Benefits Committee

The Compensation and Benefits Committee shall be composed of at least three (3) members, one (1) of whom must be an independent or non-executive director. It shall have the following duties and responsibilities:

a. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and the business environment in which it operates;

b. Design the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully; and

c. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met.

(9) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the four most recent fiscal years. Thus far, the Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

(10) Attendance of Principal Accountant and External Auditor in Annual Stockholders Meeting

A representative of Punongbayan & Araullo is expected to be present at the Special Stockholders' Meeting to respond to appropriate questions or make a statement if he/she desires to do so.

(11) Requirements under Section 49 of the Revised Corporation Code of the Philippines

a. In the previous meeting, voting was done by sending proxy forms and ballots electronically to the Corporate Secretary. The identity of the shareholder and his or her shareholdings were validated, and thereafter tabulated electronically using Google Sheet.

b. Shareholders attending the virtual meeting were given the opportunity to ask questions after the presentation of the materials and the voting items.

None of the shareholders or their proxies present raised any other matters or asked questions after the presentation of the materials and the voting items.

c. In the previous meeting, the stockholders discussed the summary of properties acquired by CLI in the previous year, which include the acquisitions of a 17-hectare expansion site in Butuan City and a 14.3 hectare land from Xavier University amounting to Php1.44Bn. The stockholders also ratified the issuance of retail bond instruments registered with the SEC and listed with the Philippine Dealing & Exchange Corp, among other ratified acts of the Board of Directors during its 2022-2023 term.

d. The voting results are as follows:

| Agenda Item | Yes | No | Abstain |
|--|---------------|----|---------|
| Approval of Previous Minutes | 2,655,426,019 | 0 | 0 |
| Approval of CFO's Report | 2,655,426,019 | 0 | 0 |
| Approval of COO's Report | 2,655,426,019 | 0 | 0 |
| Approval of Chairman's Report | 2,655,426,019 | 0 | 0 |
| Approval of Audited Financial Statements as of 31 Dec 2022 | 2,655,426,019 | 0 | 0 |
| Creation of new class of preferred shares through the reclassification of P1B unissued common shares with a P1.00 par value per share to P1B preferred shares with P1.00 par value per share | 2,655,426,019 | 0 | 0 |
| Ratification of all acts of the Board of Directors during its 2022-2023 term | 2,655,426,019 | 0 | 0 |
| Election of the Board of Directors for the 2023-2024 term | | | |
| Jose R. Soberano III | 2,655,426,019 | 0 | 0 |

| | | | |
|------------------------------|---------------|---|---|
| Ma. Rosario B. Soberano | 2,655,426,019 | 0 | 0 |
| Jose Franco B. Soberano | 2,655,426,019 | 0 | 0 |
| Joanna Marie S. Bergundthal | 2,655,426,019 | 0 | 0 |
| Stephen A. Tan | 2,655,426,019 | 0 | 0 |
| Beauregard Grant L. Cheng | 2,655,426,019 | 0 | 0 |
| Rufino Luis T. Manotok | 2,655,426,019 | 0 | 0 |
| Ma. Aurora D. Geotina-Garcia | 2,655,426,019 | 0 | 0 |
| Atty. Ma. Jasmine S. Oporto | 2,655,426,019 | 0 | 0 |

e. The following stockholders were present during the previous meeting:

| NAME | Direct / Indirect Shareholding |
|------------------------------|--------------------------------|
| Aries L. Cañete | Indirect |
| Lloyd Levirenz Flores | Indirect |
| Ethan Ronoel Salazar | Indirect |
| Julius Sanvictores | Indirect |
| Brian Christopher Bacungan | Indirect |
| Ma. Aurora D. Geotina-Garcia | Direct |
| Rufino Luis T. Manotok | Direct |
| Atty. Ma. Jasmine S. Oporto | Indirect |
| Stephen A. Tan | Indirect |
| Jose R. Soberano III | Direct and Indirect |
| Ma. Rosario B. Soberano | Indirect |
| Jose Franco B. Soberano | Direct and Indirect |
| Joanna Marie S. Bergundthal | Direct and Indirect |
| Atty. Larri-Nil G. Veloso | Indirect |
| Janella Mae S. Wu | Direct and Indirect |
| Clarissa Mae A. Cabalda | Indirect |
| Jose Gabriel B. Soberano | Indirect |
| Beauregard Grant L. Cheng | Direct and Indirect |

Moreover, the following corporate officers who do not hold shares in the Company were present during the previous meeting:

| NAME | Position |
|-------------------------|---------------------|
| Atty. Alan C. Fontanosa | Corporate Secretary |

- f. In the previous meeting, no appraisals and performance report for the Board were presented.
- g. No director has made self-dealings or related party transactions with the Company for the last three fiscal years, i.e., 2021, 2022, and 2023.
- h. Five (5) of the CLI Directors, namely Chairman Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, Dir. Jose Franco B. Soberano, Dir. Beauregard Grant L. Cheng, and Dir. Joanna Marie S. Bergundthal are simultaneously the Top 5 Executives of the Company, whose compensation reports are disclosed under Item 6 above. The following non-executive directors have received their corresponding total compensation in 2023 pursuant to Item 7(a) above:

| Non-Executive Directors | Total Compensation in 2023 (in ₱) |
|------------------------------|--------------------------------------|
| Rufino Luis T. Manotok | 910,000.00 |
| Ma. Aurora D. Geotina-Garcia | 880,000.00 |
| Atty. Ma. Jasmine S. Oporto | 850,000.00 |
| Stephen A. Tan | 880,000.00 |

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up during the Special Stockholders Meeting on 14 February 2024 pertaining to merger, consolidation, acquisition by sale, or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up during the Special Stockholders Meeting on 14 February 2024 pertaining to acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up during the Special Stockholders Meeting on 14 February 2024 pertaining to restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- a) Approval of the Public Offering of the Offer Shares;
- b) Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer; and
- c) Adoption and approval of the other resolutions of the Board of Directors during its meeting held on 08 January 2024.

Item 16. Matters Not Required to be Submitted

None.

Item 17. Amendment of Charter, Bylaws or Other Documents

None.

Item 18. Other Proposed Action

None.

Item 19. Voting Procedures

(a) Vote required

In accordance with Section 7, Article III of CLI’s By-laws, as amended, any matter, question, or election submitted to a vote during stockholders meeting, except in cases where specified in the By-laws or where

other provision is made by statute or in the Articles of Incorporation, in order to be carried, shall require the majority vote (50% plus 1) of the outstanding capital stock of stockholders present in person or by proxy, a quorum being present.

Based on the foregoing, and pursuant to Section 15 of the Revised Corporation Code, the proposed Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer shall require the affirmative vote of stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Company entitled to vote, present in person or by proxy.

All other items in the Agenda shall require the affirmative vote of a majority of the outstanding capital stock of the Company entitled to vote, present in person or by proxy.

(b) Manner of Voting

In all items for approval during the Special Stockholders’ Meeting, each holder of CLI shares is entitled to one (1) vote for every outstanding common share. Pursuant to Section 56 of the RCC, treasury shares shall have no voting right as long as they remain in the treasury. The Company sets no condition-precedent for the exercise of one voting method over the other since these options are provided for by law.

Proxies shall be in writing, signed, and filed by the stockholder in any form authorized by CLI’s By-laws and received by the Office of the Corporate Secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

As of this publication, voting through remote communication or in absentia is not yet authorized in the Company’s By-laws or by the majority of the Board of Directors. However, stockholders or their proxies who wish to join this Special Stockholders’ Meeting remotely can send their ballots or proxy forms, where they can indicate their votes on every agenda item, to the Corporate Secretary on or before 07 February 2024 so that such votes can be counted prior to the meeting. A copy of the ballots and proxy forms are attached herewith as Annexures “B”, “C”, and “D”.

(c) Method of Counting Votes

The Office of the Corporate Secretary shall be responsible for counting votes and tabulating the results based on the number of shares entitled to vote owned by the stockholders who submitted their ballots or proxy forms on or before 07 February 2024.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of CLI’s stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

(d) Items for Approval by Stockholders in the Special Meeting

A copy of the Agenda enumerating the items for approval by stockholders at the Special Stockholders’ Meeting is attached herewith and made integral hereof as Annex “A”.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification

The Company is not soliciting any advanced votes by proxy on all matters intended for approval by stockholders at the Special Stockholders' Meeting on 14 February 2024. Please refer to Annex "A" for the items requiring such approval.

Item 2. Instruction

Pursuant to Section 7, Article III of the CLI By-laws, any security holder who cannot be physically present but entitled to vote at the Special Stockholders' Meeting on 14 February 2024 may be represented by proxy who may vote his/her shares on any matter intended for approval by stockholders. Copies of the prescribed proxies for individual and corporate stockholders are attached herewith and made integral hereof as Annexures "B" and "C". Proxy forms sent in substantially the same form as the foregoing annexures are valid subject to validation by the Corporate Secretary or his assistant. The decision of the Corporate Secretary or his assistant on the validity of any proxy form shall be final and binding until set aside by a court of competent jurisdiction in keeping with paragraph 2, Section 8, Article III of the CLI By-laws.

All proxy forms must be delivered by post or email to the address below on or before 07 February 2024, which is likewise the date set for its verification:

Atty. Alan C. Fontanosa
Corporate Secretary
SYCIPLAW CEBU OFFICE
406 Keppel Center, Cardinal Rosales Ave.,
cor. Samar Loop, Cebu Business Park,
6000 Cebu City, Philippines
E-mail: acfontanosa@syciplaw.com
Phone: +6332 233.1211 to 13

If delivered by email, kindly use the following addresses:

corporate.secretary@cebulandmasters.com

Please refer to Item 19(b) above for the mechanics on how votes will be taken either in person or by proxy at the Special Stockholders' Meeting on 14 February 2024.

Item 3. Revocability of Proxy

Pursuant to Section 8, Article III of the CLI By-laws, proxy forms are considered valid only for the meeting at which it has been presented to the Corporate Secretary or his assistant, unless otherwise provided, which shall in no case be valid and effective for a period longer than five years from the date of the proxy in keeping with the provision of SRC Rule 20.

Proxy forms filed may still be revoked by the stockholders either by an instrument in writing duly presented and recorded with the Corporate Secretary or his assistant prior to the scheduled meeting or by their personal presence on 14 February 2024.

Item 4. Persons Making the Solicitation

Not applicable for this Special Stockholders' Meeting.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

(a) Solicitations Not Subject to paragraph (8) of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Special Stockholders' Meeting on 14 February 2024.

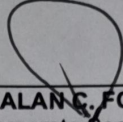
(b) Solicitations Subject to paragraph (8) of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Special Stockholders' Meeting on 14 February 2024.

PART III.
SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report are true, complete, and correct. This report is signed in the City of Cebu on 17 January 2024.

By:



ATTY. ALAN C. FONTANOSA
Corporate Secretary

ANNEX “A”

AGENDA

CLI Special Stockholders’ Meeting
14 February 2024
9:30 A.M. – 11:00 A.M.
Venue: Teleconferencing and/or videoconferencing

| | | |
|--------------------|--|-------------------------------|
| 9:00 – 9:30 A.M. | Registration | Secretariat |
| 9:30 – 9:33 A.M. | Opening Prayer | Dir. Stephen A. Tan |
| 9:33 – 9:34 A.M. | Call to Order | Chairman Jose R. Soberano III |
| 9:34 – 9:36 A.M. | Certification of Notice and Quorum | Corporate Secretary |
| 9:36 – 10:36 A.M. | New Business A. Rationale of the Public Offering of the Offer Shares and resolutions for the approval and/or ratification of the Shareholders | Dir. B. Grant L. Cheng |
| 10:36 – 10:46 A.M. | B. Shareholders’ Approval on the following: 1) Approval of the Public Offering of the Offer Shares; 2) Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer; and 3) Adoption and approval of the other resolutions of the Board of Directors during its meeting held on 08 January 2024. | Shareholders |
| 10:46 – 10:59 A.M. | Other Matters | Chairman / Shareholders |
| 11:00 A.M. | Adjournment | Chairman |

ANNEX “B”

PROXY FORM
(for individual stockholder)

I/We, _____, Filipino/s, of legal age, (single / married / widow), and a resident of _____, do hereby constitute and appoint _____, who is also of legal age, Filipino, (single / married / widow), and a resident of _____, to represent me/us and vote _____ (_____) of my/our shares of the capital stock appearing in my/our name/s at the Special Stockholders’ Meeting of Cebu Landmasters, Inc. to be held on 14 February 2024.

In the absence of my/our above proxy, please count my/our votes for the following items in the Agenda:

| | | | |
|---|-----------------------------|----------------------------------|----------------------------|
| I. New Business | | | |
| A. Approval of the Public Offering of the Offer Shares. | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| B. Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer. | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| C. Adoption and approval of the other resolutions of the Board of Directors during its meeting held on 08 January 2024. | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| II. Other Matters | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| III. Adjournment | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this _____ at the City of _____, Philippines.

STOCKHOLDER/S

Accepted by:

Name of Proxy

ACKNOWLEDGMENT

BEFORE ME, a notary public for and in the City/Province of _____, this _____ personally appeared the abovenamed parties with their government issued IDs to wit:

| | | |
|-------------|-------|--------------------|
| Stockholder | _____ | Valid Until: _____ |
| Stockholder | _____ | Valid Until: _____ |
| Proxy | _____ | Valid Until: _____ |

and by virtue thereof I sufficiently identified them to be the same persons who signed the above *Proxy Form*, consisting of two (2) pages including this *Acknowledgment* page, and they declared and acknowledged to me that they signed the said instrument for the purposes stated therein and that the same is their free and voluntary act and deed.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;
Page No.: _____;
Book No.: _____;
Series of 2024.

REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 07 FEBRUARY 2024 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE SPECIAL STOCKHOLDERS' MEETING.

ANNEX “C”

PROXY FORM
(for corporate stockholder)

I, _____, Filipino, of legal age, with office address at _____, after being duly sworn in accordance with law, do hereby depose and state THAT:

1. I am the duly elected and incumbent Corporate Secretary of _____ (the “Corporation”), a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal address at _____;

2. According to corporate records, at the regular/special meeting of the Board of Directors of the Corporation held on _____, with prior notice given to all directors and duly called for the purpose at which a quorum was present, the following resolutions were duly approved:

“BE IT RESOLVED, as it is hereby RESOLVED –

1. That the Board authorize _____, to be the Corporation’s authorized proxy to attend all meetings of the stockholders of Cebu Landmasters, Inc., whether regular or special, with full authority to vote the shares of the Corporation and to act upon all matters and resolutions that may come before or presented during the said meetings, in the name, place and stead of the Corporation;

2. RESOLVED FURTHER, that in the absence of the above authorized officer of the Corporation during the actual stockholders of Cebu Landmasters, Inc., the following shares of the Corporation shall be voted and counted for the following items in the Agenda:

| | | | |
|------------------------------|--|----------------------------------|----------------------------|
| I. New Business | | | |
| A. | Approval of the Public Offering of the Offer Shares. | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| B. | Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer. | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| C. | Adoption and approval of the other resolutions of the Board of Directors during its meeting held on 08 January 2024. | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| II. Other Matters | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |
| III. Adjournment | | | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | No. of Shares Voted: _____ |

3. I attest to the truth of the foregoing and issue this certification for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ in _____, Philippines.

Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ at _____,
Philippines, abovenamed Affiant who presented to me his/her government-issued ID:
_____ and by virtue thereof I sufficiently identified him/her to be the same person who
signed the foregoing *Proxy Form* in my presence and swore as to said document that he/she understood
the contents thereof and that the same is his/her free and voluntary act and deed as well as the corporation
represented therein.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;
Page No.: _____;
Book No.: _____;
Series of 2024.

**REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS
ASSISTANT ON OR BEFORE 07 FEBRUARY 2024 FOR ANY VOTES CONTAINED HEREIN TO BE
COUNTED DURING THE SPECIAL STOCKHOLDERS’ MEETING.**

ANNEX “D”

BALLOT

Name : _____

Principal’s Name : _____ (if proxy)

Number of Shares : _____ (to be verified by CLI)

Agenda Items for Approval by Stockholder

| Agenda Item | Vote | No. of Shares Voted (indicate specific number or “ALL”) |
|---|---|--|
| New Business | | |
| A. Approval of the Public Offering of the Offer Shares; | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | _____ |
| B. Approval and confirmation of the delegation to the Board of Directors of the power and authority to determine the manner of issuance, sale, and distribution of the Series “A” Preferred Shares and the Terms and Conditions of the Offer; and | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | _____ |
| C. Adoption and approval of the other resolutions of the Board of Directors during its meeting held on 08 January 2024. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | _____ |
| Other Matters | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | _____ |
| Adjournment | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | _____ |

Stockholder’s signature

ANNEX “E”

NOTICE OF MEETING

Dear CLI Stockholders,

You are hereby notified that **CEBU LANDMASTERS, INC. (“CLI”)** will hold a Special Stockholders’ Meeting on 14 February 2024 starting at 9:30 in the morning. The meeting will be held remotely through teleconferencing and/or videoconferencing.

If you intend to join, please ensure you remain a CLI stockholder as of 22 January 2024, the record date for the meeting. Also, on this day, you may start sending your proxy forms and ballots to the Secretariat, which will continue to receive them until 07 February 2024, the deadline for their validation.

You may download the Information Statements, agenda, proxy forms, ballots, and other related materials for the meeting from the company website at <https://ir.cebulandmasters.com/investor-relations/stockholders-meeting/#special-stockholders-meetings>

We will endeavor to send you the Zoom log-in details and dial-in numbers for this meeting within a few days after validating your proxy forms and ballots sent either to corporate.secretary@cebulandmasters.com or my office address below.

Sincerely,

Atty. Alan C. Fontanosa (signed)

Corporate Secretary

SyCip Salazar Hernandez & Gatmaitan

406 Kepwealth Center

Cardinal Rosales Ave., cor. Samar Loop

Cebu Business Park

6000 Cebu City, Philippines

E-mail: acfontanosa@syciplaw.com or corporate.secretary@cebulandmasters.com

Phone: +6332 233.1211 to 13

ANNEX “F”

Management’s Discussion, Analysis and Plan of Operation

COMPANY MILESTONES FOR THE PERIOD SEPTEMBER 30, 2023

During the first nine months, CLI launched a total of eight projects valued at ₱15 billion. Part of the launch is the introduction of the Mirani brand addressing the needs of the low-income segment, offering residences priced between ₱1.9 million to ₱2.9 million. Another notable project launch is Mindara Residences which experienced an exceptional market response, with almost selling out 546 of its units, amassing ₱2.5 billion in sales within the first week of its launch. CLI also introduced its first house and lot project in Davao, Casa Mira Davao, which has achieved an impressive 95% sales milestone. Other project launches include Casa Mira Towers Mandaue T1, Mandtra T2, CMT Palawan T4, CMT Bacolod T4, Casa Mira Homes Davao, and Costa Mira Panglao T3, further diversified CLI's offerings. This substantial fresh inventory, coupled with the continued high demand for the acclaimed Casa Mira brand, propelled CLI to achieve its highest 9-month reservation sales figure, surging by 25% to reach ₱17 billion during this period.

Davao projects accounted for the majority of the sales with 42% of the total, Cebu with 26%, Bohol with 13%, Bacolod with 9% and Palawan with 7% while Dumaguete, Iloilo, Ormoc, and CDO contributed the remaining of the total sales.

In terms of market segment, Casa Mira - Economic brand led the market with 52% of total sales, primarily from Casa Mira Davao, Casa Mira Danao and Casa Mira Towers in Palawan & Bacolod.

To date, CLI has already sold out 93% of its inventory across all projects in various phases of development, enabling the company to continue to expand its unrecognized revenue to ₱30 billion, up from ₱29.3 billion as of the end of 2022.

For the remaining months in 2023, CLI will be launching two more developments to account for the 10 pipeline projects worth ₱18.3 billion for the year.

The company has invested ₱10.4 billion in capital projects so far this year, 86.7% of which went towards project development, and 6.2% spent for land acquisition, CLI is expanding in Mindanao by most recently purchasing 21 hectares in General Santos City, increasing its landbank to 112.5 hectares with a total value of ₱9.8 billion. With this acquisition, CLI is serving the region's robust and consistent housing demand, being present in 16 key VisMin cities.

In October 2023, CLI entered into a partnership with NTTUDA, an international developer known for commercial properties, including office buildings, residences, and mixed-use developments in Southeast Asia. This joint venture is geared towards the development of premium-grade residential towers in the heart of Cebu City.

During the year, CLI also received various recognitions starting with the 5-Star BERDE Certification which was officially turned over by the Philippine Green Building Council, led by their CEO, Mr. Chris de la Cruz. Latitude Corporate Center is the FIRST 5-Star BERDE Certified Office Building in Cebu City, with its iconic design masterfully crafted for great businesses.

Furthermore, BCI Asia Philippines once again recognized the company as one of the Top 10 Developers in the Philippines for 2023, making this the sixth year in a row that it has won. This acknowledgment reinforces the company's dedication to delivering creative and sustainable developments.

The 2023 Asia-Pacific Stevie Awards have also recognized Cebu Landmasters Inc. as one of the Bronze Stevie Winners for Innovative Achievement in Corporate Social Responsibility. This distinction represents the company's unwavering dedication to sustainability and exceptional efforts in improving the environment and society at large.

Lastly, on Sept 28 2023, CLI was awarded with 2 Golden Arrows by the institute of Corporate Directors (ICD). Companies with exemplary corporate governance were honored in the 2023 ACGS and CGS Golden Arrow Recognition, carried out by the Institute of Corporate Directors (ICD) at Okada Manila Hotel.

CLI's unwavering commitment to innovation and excellence underscores its continual strides towards becoming the premier developer in VisMin. Through dedicated efforts in refining strategies, embracing technological advancements, and fostering a culture of excellence, CLI remains resolutely positioned at the forefront of the region's development landscape. This dedication to surpassing benchmarks and setting new industry standards is ingrained in our annual ethos, driving our pursuit of becoming the unequivocal leader in the VisMin region's real estate development industry.

REVIEW ON THE COMPANY’S RESULTS OF OPERATION

January 1 to September 30, 2023 vs. January 1 to September 30, 2022

For the third quarter of 2023, Cebu Landmasters, Inc. showcased a commendable financial performance, reporting a consolidated net income of ₱3 billion. This figure reflected a significant year-on-year increase of 28% from the previous period's ₱2.4 billion. Furthermore, the Net Income After Tax (NIAT) attributable to the parent company demonstrated a solid growth of 9%, reaching ₱2.4 billion compared to ₱2.2 billion of the same period last year. The notable earnings expansion can be attributed to the company's robust performance across all revenue streams which led to CLI's consolidated revenue increasing by 18% to ₱12.93 billion from ₱10.96 billion the previous year. This is supported by higher construction progress and higher sales take-up. Using the weighted average shares of 3,465,201,467, earnings per share for the 9 months posted at ₱0.98 vs same period of last year of ₱0.92, a 7% increase.

REVENUES

Real estate sales

Real estate sales recorded a significant 17% year-over-year increase in revenue to ₱12.7 billion from ₱10.8 billion. Higher construction progress and more units that qualified for revenue recognition were the causes of the reported improvement.

In terms of location, Cebu still is the strongest contributor of revenue which accounted for 46% of its overall figure. Visayas (ex-Cebu) and Mindanao contributed 27% and 25%, respectively. The increase in share in revenue outside Cebu were driven by new projects such as East Village Residences, Casa Mira Towers Bacolod, Casa Mira Towers Palawan and Costa Mira Beach Panglao.

Revenue per Market segment reported the following performance:

Premier Masters (Premier market) recorded revenue of ₱ 3.94 billion, an increase of 63% y-o-y from ₱2.4 billion mainly driven by the new revenue qualifications from Costa Mira Beachtown Mactan and Panglao, Calle 104, Citadines Paragon and One Paragon Place.

Garden Series (Mid-market), likewise grew 10% y-o-y from ₱3.3 billion to ₱3.63 billion. The increase was steered by The East Village, the first residential project of CLI's Davao Global Township (DGT) and Mandra Residences in Cebu.

Casa Mira Series (Economic market) reported a stable revenue of ₱5 billion, driven by Casa Mira South Ph3A2 , Casa Mira Towers LPU Davao, Casa Mira Iloilo, Casa Mira Towers CDO and Casa Mira Towers Mandaue.

The Company expects to grow real estate revenue contribution from projects newly launched during the period.

Leasing

The company experienced a substantial growth in rental revenues, reaching ₱77 million, a notable 43% year-on-year surge from ₱54 million. This upturn was predominantly driven by a blend of augmented lease rates and the revenue influx from recently completed projects. Notably, as of the nine months of 2023, CLI has significantly expanded its Gross Leasable Area to 35,772 square meters, marking a remarkable 19% increase from the previous quarter's 30,006 square meters. This surge is attributed to the successful turnover of Banilad Highstreet and Drive-Thru spaces in Davao Global Township, currently boasting impressive lease rates of 70% and 100%, respectively. These developments stand as pivotal contributors to CLI's upward trajectory and burgeoning success in the market.

Hotel operations

The resurgence in the travel and leisure sector served as a powerful catalyst for CLI's hotel operations, resulting in a remarkable upsurge in revenue. Notably, the hotel operations soared to generate ₱98 million, a striking leap from ₱55 million during the same period in the previous year, marking a robust 78% growth. This impressive increase was primarily fueled by a surge in bookings and elevated room rates, particularly evident in Citadines Cebu City.

Looking ahead, in the upcoming fourth quarter of this year, the company is slated to turn over a portion of rooms from The Pad and Baseline Lyf. This move is anticipated to significantly bolster the hotel's keys, escalating from 180 to 338. The remaining hotel keys of The Pad and Baseline Lyf are scheduled for completion in the first quarter of 2024, promising a substantial increase in revenue for the hotel operations in the following year. Furthermore, with seven additional hotels currently under construction, CLI is strategically positioning itself to further capitalize on the burgeoning opportunities within the hospitality sector.

Property Management

This included the project management fee that CLI charges for being the project manager on joint venture projects and the property management fee for CLI Property Management (CLIPMI) services provided to CLI's completed projects. During the year, the parent company's project management revenue reached ₱113.6

Million, these are fees charged to CLI's joint venture companies for managing the development of the project. On the other hand, property management fees increased by 14% to ₱46 million, from ₱41 million in the same period last year, reflecting an increase in managed projects by the property arm.

Cost of sales and services

In line with the growth in revenue performance, the company's cost of sales for the nine months ending September 30, 2023, was reported at ₱6.8 billion, a 12% year-over-year increase from ₱6 billion.

Operating Expenses

Total operating expenses during the period amounted to ₱1.89 billion, a 19% y-o-y increase from ₱1.59 billion of the same period in 2022. The increase was mainly driven by commissions and incentives which grew by 36% to ₱743 million in line with the increase in revenue from real estate sales and robust sales performance during the period.

The company carefully balanced its debt mix of 65% fixed and 35% floating rates. Due to this, CLI is able to maintain its competitive rate of 6.46% despite an increase in benchmark rates. The stated rate, while being higher than the previous year, is nonetheless competitive when compared to current capital raising rates charged in the sector.

In October 7, 2022, CLI listed its first tranche of ₱15 billion bonds worth ₱5 Billion with the following tenors:

- Series A with a tenor of 3.5 years with a fixed rate of 6.4222%
- Series B with a tenor of 5.5 years with a fixed rate of 6.9884%
- Series C with a tenor of 7 years with a fixed rate of 7.3649%

The proceeds from the Bonds raised will extend the debt maturity of the company and lock in rates to address any interest rate risk brought about by the challenging macro environment.

NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (NCI)

For the period ended September 30, 2023, NIAT attributable to NCI increased substantially to ₱636 million from ₱168 million in 9M 2022. This growth is due to increasing contributions from new joint venture projects such as The East Village T1-T4 (YHEST) in Davao, Calle 104 T1-T2 (BL RAMOS) in Cebu and Costa Mira Beachtown Panglao in Bohol.

FY 2022 vs FY 2021

Cebu Landmasters recorded Normalized Net income to parent shareholders of ₱3.171 billion, an increase of 32% from ₱2.401 billion in 2021, the remainder after tax adjustments for the year were factored out. This generated an Earnings per share of ₱ 0.92, a growth of 21% YOY from ₱0.75 EPS in 2021. The significant increase is driven by the strong topline growth and fast economic recovery in the region.

Revenues

CLI's topline grew significantly by 40% to ₱15.657 billion from 2021's ₱11.162 billion driven by significant construction accomplishments coupled by robust sales and collections, which have further resulted in a ₱29 billion or 17% increase in unrecognized revenue for future recognition.

Real estate sales

Revenue from the sale of real estate recorded a 40% growth y-o-y to ₱15.439 billion from ₱10.996 billion in 2021. The high growth was driven by significant construction progress and more accounts qualifying for revenue recognition from continued collections. By the end of the year, construction was in full-swing across all project sites in 16 key cities in VisMin with catch-up measures in place to compensate for delays caused by quarantine restrictions.

Casa Mira accounted for the largest share of revenues at 47%, followed by the Garden series with 27% and Premier Masters with 24%. The mix of revenue recorded during the year was brought about by the strong Casa Mira sales during the height of the pandemic in 2020. In terms of location, CLI's operations in Cebu remain outstanding, representing 42% of the total revenues, with Davao following at 19%, Iloilo at 12% and CDO contributing 10%.

Premier Masters (Premier market), at ₱3.8 billion, increased by 47% y-o-y from ₱2.6 billion driven by the new revenue qualifications and accomplishments from Terranza residences in Iloilo and Costa Mira Beach in Mactan.

Garden Series (Mid-market), at ₱4.2 billion, higher by 30% y-o-y from ₱3.2 billion, the biggest contributor was The East Village, the first residential project of CLI's Davao Global Township (DGT).

Casa Mira Series (Economic market), at ₱7.36 billion, grew by 43% y-o-y from ₱5.16 billion, driven by Casa Mira Ormoc, Casa Mira Homes Dumaguete and Casa Mira LPU in Davao.

In Q4 2022, the company recorded a total consolidated revenue of ₱4.694 billion, a 34% increase versus the ₱3.504 billion in Q42021 and is also 34% higher q-o-q from the ₱3.506 billion that was reported on Q3 2022. The strong performance during the fourth quarter was driven by the increase in real estate revenue due as construction is now in full swing in the various development sites of the company.

Hotel operations

Launched on September 14, 2019, Citadines Cebu City posted ₱83.42 million for the period ending December 31, 2022. Hotel revenue grew significantly by 71% with the reopening of local and international borders, reviving trade and tourism.

Leasing

CLI's rental income increased by 7% from ₱74.27 million in 2021 to ₱79.28 million in 2022. Growth is fueled by new lease agreements and new tenants in the recently finished Latitude Corporate Center. GLA had a 30,006 sq. m. total as of 2022 which includes 921 sq.m. of the recently completed 38 Park Avenue retail in Cebu IT Park, and are now being leased by high net worth partner merchants. The rental occupancy rate increased as a result of these developments, rising from 41% on December 31, 2021, to 48% on December 31, 2022.

Property Management

Revenue from property management fees is at ₱55.47 million, a 29% y-o-y increase from ₱42.59 million mainly from continuous turn-over of completed projects during the year—Casa Mira South Phase 1 and 2, Casa Mira Coast, Velmiro Uptown CDO and Casa Mira Bacolod.

Cost and Expenses

The Company's cost of sales for the period ended December 31, 2022 amounted to ₱8.37 billion, an increase of 40% from ₱5.97 billion in line with the increase in revenue.

Total operating expenses for the year were ₱2.37 billion, up 21% from ₱1.95 billion,, mostly as a result of commissions and incentives tied to the increase in real estate revenues. Further, In order to support CLI's expansions across VisMin, the Group's workforce increased to 801 employees from 691 personnel, with a 20% increase in salaries and benefits, totaling ₱516 million.

The cost of borrowing for the year was ₱811.68 million with an average borrowing rate of 6.07%, up from the cost of borrowing reported in 2021 of 4.77% due to the BSP's ongoing increase in interest rates to counter inflation. The interest on bank loans and corporate notes used to finance the company's project developments is represented by the borrowing cost, which is recorded as period costs and expenses.

FY 2021 vs FY 2020

Cebu Landmasters recorded Net income to parent shareholders of ₱2.613 billion, an increase of 42% from ₱1.846 billion in 2020. This generated an Earnings per share of ₱ 0.75, a growth of 47% YOY from ₱0.51 EPS in 2020. The significant increase is driven by the strong topline growth and one-time tax adjustment amounting to ₱255 million brought about by the implementation of CREATE law.

Revenues

CLI's topline grew by 35% to ₱11.16 billion from 2020's ₱8.3 billion driven by significant construction accomplishments coupled by robust sales and collections, which have further resulted in a ₱25 billion or 23% increase in unrecognized revenue for future recognition.

Real estate sales

Revenue from the sale of real estate recorded a 35% growth y-o-y to ₱10.996 billion from ₱8.15 billion in 2020. The high growth was driven by significant construction progress and more accounts qualifying for revenue recognition from continued collections. By the end of the year, construction was in full-swing across all project sites in 16 key cities in VisMin with catch-up measures in place to compensate for delays caused by quarantine restrictions.

Casa Mira accounted for 46% of revenues, followed by the Garden series with 29% and Premier Masters with 23%. The mix of revenue recorded during the year was brought about by the strong Casa Mira sales during the height of the pandemic in 2020. In terms of location, CLI's operations in Cebu remain outstanding, representing 55% of the total revenues, followed by CDO with 11% with Davao and Iloilo both contributing 10%.

Premier Masters (Premier market), at ₱2.6 billion, increased by 17% y-o-y from ₱2.2 billion driven by the new revenue qualifications and accomplishments from Terranza residences in Iloilo.

Garden Series (Mid-market), at ₱3.2 billion, higher by 7% y-o-y from ₱3 billion, driven by Mandtra Residences, Velmiro Plains Bacolod and Velmiro Heights CDO.

Casa Mira Series (Economic market), at ₱5.16 billion, grew by 93% y-o-y from ₱2.67 billion, mainly from newly launched projects during the year: Casa Mira LPU in Davao and Casa Mira Iloilo.

In Q4 2021, the company recorded a total consolidated revenue of ₱3.5 billion, a 35% increase versus the ₱2.6 billion in Q42020 and is 39% higher q-o-q from the ₱2.5 billion that was reported on Q3 2021. The strong performance during the fourth quarter was driven by the increase in real estate revenue due as construction is now in full swing in the various development sites of the company.

Hotel operations

Launched on September 14, 2019, Citadines Cebu City posted ₱48.68 million revenue for the period ending December 31, 2021, a slight decrease from ₱54.56 million in 2020. With 2020 hotel revenues driven from BPO companies that housed their employees during the lockdown.

Leasing

As more retail businesses were given permission to operate with less restrictions, rental revenue increased by 34% y-o-y to ₱74.27 million from ₱55.24 million. GLA increased by 100% y-o-y to 29,133 sq.m from 14,536 sq.m. with the completion of Latitude Corporate Center and retail spaces in residential projects. As of December 31, 2021, rental occupancy rate is at 41%, declined from 79% as of December 31, 2020.

Property Management

Revenue from property management fees is at ₱42.97 million, a 1% y-o-y increase from ₱42.59 million mainly from continuous turn-over of completed projects during the year— Casa Mira South Phase 1 and 2, MesaVerte Residences, and Mivesa Garden Residences Phase 3.

Cost and Expenses

The Company's cost of sales for the period ended December 31, 2021 amounted to ₱5.97 billion, an increase of 39% from ₱4.28 billion in line with the increase in revenue.

Total operating expenses during the year amounted to ₱1.95 billion, a 54% y-o-y increase from ₱1.27 billion mainly due to the increase in accounted commissions and incentives to ₱726 million caused by the implementation of PFRS 15, which required the accrual of the said commissions and incentives. Salaries and employee benefits also grew by 22% to 431.93 million which aligns with the increase in the Group's manpower to 691 employees from 574 employees to support CLI's expansions across VisMin. During the year, the company also spent 100 million in costs attributable to the purchase of the 14.3 hectares that will be integrated into the Xavier University Masterson Campus.

During the year, borrowing costs amounted to ₱571.47 million with a lower average borrowing rate of 4.75%, an improvement from the cost of borrowing reported in 2020 of 4.96%. The borrowing cost represents the interest on bank loans and corporate notes to fund the Company's project developments that are recognized as period costs and expenses.

FY 2020 vs FY 2019

For the period ending December 31, 2020, Parent Company NIAT was at ₱1.85 billion, a slight decline of 8% y-o-y from ₱2.01 billion. A decline in the Company's bottom line numbers was due to the stringent lockdown measures imposed by the government during the period. This translates to an earnings per share of ₱1.15.

CLI bounced back and posted a strong financial growth as restrictions eased during the second half of 2020. The Company's consolidated NIAT during the second half of the year is at ₱1.16 billion, 26% higher as compared to the first half. Parent NIAT during the second half of 2020, on the other hand, is at ₱1.05 billion, 33% higher than the first half.

Revenues

For the period ending December 31, 2020, CLI generated consolidated revenue of ₱8.30 billion, a slight decline of 2% y-o-y from ₱8.50 billion. In the fourth quarter of the period, consolidated revenue registered at ₱2.59 billion, 18% growth from ₱2.20 billion in the third quarter of 2020, as travel restrictions ease and as operations and construction recuperate.

Real estate sales

Revenue from sale of real estate reached ₱8.15 billion, a 3% y-o-y slight decline from ₱8.39 billion in 2019, driven by Garden Series (36%), followed by Casa Mira Series (32%) and Premier Masters (27%). In the same period of 2019, Garden Series generated 37% of the total revenues, followed by Casa Mira (30%) and Premier Masters (30%). In terms of location, CLI's presence in Cebu remains strong, representing 52% of the total revenues, followed by CDO (16%) and Bacolod (11%), for both periods ending December 31, 2020.

Premier Masters (Premier market), at ₱2.22 billion, declined by 13% y-o-y from ₱2.54 billion, with the construction slowdown of 38 Park Avenue due to the pandemic.

Garden Series (Mid-market), at ₱2.99 billion, slightly declined by 6% y-o-y from ₱3.12 billion, driven by Mivela Garden Residences, Velmiro Plains Bacolod and, the recently launched, Velmiro Greens Bohol.

Casa Mira Series (Economic market), at ₱2.67 billion, grew by 6% y-o-y from ₱2.51 billion, mainly from newly launched projects during the year: Casa Mira Iloilo and Casa Mira South Phase 3B.

During the second half of 2020, CLI posted a 38% growth as compared to the first half. The robust growth was driven by the easement of quarantine across VisMin sites increasing construction efficiency to 90% from 70% in the 2nd quarter. Collections on the other hand has also improved with more accounts qualifying for revenue recognition in the last two quarters.

Hotel operations

Launched on September 14, 2019, Citadines Cebu City posted ₱54.56 million for the period ending December 31, 2020. With hotel revenues driven from BPO companies that housed their employees during the lockdown.

Leasing

The Company offered rental concessions and holidays to support local businesses during lockdown decreasing its rental revenue by 13% y-o-y to ₱55.24 million from ₱63.16 million. GLA increases by 2% y-o-y to 14,536 sq.m. from 14,296 sq.m. with the completion of retail spaces in residential projects. As of December 31, 2020, rental occupancy rate is at 79%, a minor decline from 82% as of December 31, 2019.

Property Management

Revenue from property management fees is at ₱42.59 million, 16% y-o-y increase from ₱36.84 million mainly from continuous turn-over of completed projects during the year—Casa Mira South Phase 1 and 2, MesaVerte Residences, and Mivesa Garden Residences Phase 3.

Cost and Expenses

The Company's cost of sales for the period ended December 31, 2020 is at ₱4.28 billion, from ₱4.30 billion in line with the slim decrease in revenue.

Total operating expenses during the period amounted to ₱1.27 billion, an 11% y-o-y increase from ₱1.15 billion mainly from an increase in commissions and incentives to ₱429.73 million with the implementation of PFRS 15. Salaries and employee benefits also grew by 18% to ₱352.75 million due to an increase in the Group's manpower to 574 employees from 475 employees to support CLI's expansions across VisMin. Despite the digitalization of the Company's sales and marketing, other operating expenses likewise increased as the Company implemented and heightened safety and health protocols in the workplace.

During the year, borrowing costs amounted to ₱460.13 million with average borrowing rate of 4.96% representing the costs on bank loans and corporate notes to fund the Company's project developments. This includes the ₱8.0 billion corporate notes issued during the year.

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

As of September 30, 2023, vs December 31, 2022

CLI's balance sheet remains strong and healthy to support construction and expansion plans. As of September 30, 2023, CLI reported total assets of ₱97 billion, an increase of 14% from ₱85.04 billion as of December 31, 2022 driven by progress in construction from sold units.

ASSETS

6% decrease in Cash and Cash equivalents

Due to payments on loans such as Retail Bonds, Corporate Notes 1 and Project Term Loans as well as other payables to contractors and suppliers.

35% decrease in Receivables (including non-current portion)

Declined from ₱3.68 billion to ₱2.41 billion due to collections from completed projects.

28% increase in Contract assets (including non-current portion)

Increase to ₱40.95 billion from ₱31.98 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

4% increase in Real Estate Inventory

from ₱18.31 billion to ₱19.11 billion mainly due to increased building cost, new land acquisitions and higher construction progress of the company's projects.

88% decrease in Deposit on land for future development

from ₱130 million to ₱15.34 million mainly due to the transfer to raw land inventory

59% increase in Due from related parties

from ₱35.80 million to ₱56.84 million due to transactions paid by CLI (Parent) on behalf of its related parties.

35% increase in Prepayments and other current assets

from ₱4.96 billion to ₱6.72 billion due to advances to subcontractors & suppliers on newly awarded projects.

31% increase in Property and Equipment

from ₱4.81 billion to ₱6.30 billion due to the construction of new offices and branches to support CLI's expanding developments.

2% decrease in Right of use asset

from ₱1.17 billion to ₱1.14 billion due to amortization of high-value leasehold rights

2% increase in Investment Properties

from ₱17.88 billion to ₱18.02 billion attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort, Astra Corporate Center and Davao Global Township.

43% decrease in non-current assets

from ₱648.82 million to ₱369.62 million due to significant decrease in advances to contractors

LIABILITIES

13% increase in Interest-bearing loans and borrowings (including non-current portion) from ₱40 billion to ₱45 billion due to new availments from project term loans

13% Increase in Trade Payables (including non-current portion)

from ₱19.04 billion to ₱21.6 billion due to accruals made on unbilled costs to match with revenue recognized.

20% decrease in Contract Liabilities

from ₱718.61 million to ₱627.37 million due to an increase in collections from buyers coming from new project launches that are ahead of the stage of completion.

321% increase in Income Tax Payable

from ₱3.65 million to ₱15.35 million due to the accrual of income tax due for the period.

26% Deferred tax liabilities - net

from ₱3.03 billion to ₱3.81 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

20% increase in Parent Company's Retained Earnings

Due to the Net income recognized during the period.

As of December 31, 2022 vs December 31, 2021

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2022, CLI's consolidated assets stood at ₱85.04 billion, a 28% y-o-y growth from ₱66.65 billion driven by the increase in contract assets, real estate inventories and investment properties.

ASSETS

31% increase in Cash and Cash equivalents

Increase to ₱1,434.56 million from ₱1,095.82 million largely due to collections and higher take-outs deposited under Short-term placements.

39% decrease in Accounts receivable (including non-current portion)

Decrease to ₱3.68 billion from ₱6 billion mainly due to collections from completed projects.

58% increase in Contract assets (including non-current portion)

Increase to ₱31.98 billion from ₱20.29 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

2% decrease in Real estate inventory

Slightly decrease to ₱18.31 billion from ₱18.71 billion due to decreased land development cost & raw land

100% increase in Deposits on land for future development (including non-current portion)

Deposit amounting to ₱130 million mainly due to the recent purchase of a property in Butuan for a residential development.

38% decrease in Due from related parties

Transactions paid by the Parent Company on behalf of its related parties decreased to ₱35.80 million from ₱57.43 million mainly from collections on subsidiary and affiliate businesses.

5% increase in Prepayments and other current assets

Increase to ₱4.96 billion from ₱4.74 billion coming from downpayments and advances to suppliers and subcontractors; prepaid commissions and related input Value Added Tax on construction materials purchased.

426% increase in Property and equipment

Increase to ₱4,813.72 million from ₱915.67 million mainly from the reclassification of investment property.

34% increase in Investment properties

Increase to ₱17.75 billion from ₱13.24 billion attributed to ongoing construction of our investment properties, which include our hospitality and commercial assets.

1% increase in Right-of-use asset and 10% increase in Lease liabilities

Right-of-use asset and Lease liability increased to ₱1.168 billion and ₱1.152 billion, respectively, with recognition of a new 30 year land lease for the retail area to complement the soon to be residents of Casa Mira towers Mandaue.

LIABILITIES

25% increase in Interest-bearing loans and borrowings (including non-current portion)

Increase to ₱40 billion from ₱32.02 billion mainly from new bank loans availed including proceeds from bonds issuance.

49% increase in Trade and other payables (including non-current portion)

Increase to ₱19.04 billion from ₱12.82 billion mainly represent accrued cost of sales to match revenue recognition, outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials.

48% increase in Deferred Tax Liabilities

Increase to ₱3.03 billion from ₱2.05 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

2% decrease in Treasury Shares

Decrease to ₱732.66 million from ₱748.17 million. In 2022, the Parent Company issued to its qualified officers 3,349,470 common shares out of its treasury shares in relation to the ESOP.

3% Increase in Revaluation reserves

Increase to ₱13.91 million from ₱13.48 million due to increase in estimated loss on remeasurement of post-employment defined benefit obligation.

6% increase in Non-Controlling Interest

Increase to ₱7.51 billion from ₱7.09 billion significantly from increased share in net profit in 2022 by ₱379 million mainly from GGTT (Terranza residences), CHDI (Mandtra residences) and YHEST (The East Village @ DGT).

As of December 31, 2021 vs December 31, 2020

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2021, CLI's consolidated assets stood at ₱66.65 billion, a 33% y-o-y growth from ₱50.09 billion driven by the increase in contract assets, real estate inventories and investment properties.

ASSETS

37% increase in Cash and Cash equivalents

Increase to ₱1,095.82 million from ₱797.18 million largely due to collections and higher take-outs deposited under Short-term placements.

2% decrease in Accounts receivable (including non-current portion)

Decrease to ₱6.00 billion from ₱6.14 billion mainly due to collections from completed projects.

46% increase in Contract assets (including non-current portion)

Increase to ₱20.29 billion from ₱13.86 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

40% increase in Real estate inventory

Increase to ₱18.71 billion from ₱13.40 billion driven by inventory on newly projects launched during the year, inventory on projects under construction becoming more valuable as building progress is achieved, and reclassification of investment properties worth a total of ₱1.84 billion to real estate inventories as well as fully paid raw land worth ₱1.08 billion from deposits on land to real estate inventories.

100% decrease in Deposits on land for future development (including non-current portion)

Balance zeroed out from ₱699.77 million as fully paid land purchases were reclassified to raw land inventory amounting to ₱1.08 billion. Additional deposits on land for the year amount to ₱376.33 million.

162% increase in Due from related parties

Transactions paid by the Parent Company on behalf of its related parties increased to ₱57.43 million from ₱21.95 million mainly from cash advances to subsidiary and affiliate businesses.

57% increase in Prepayments and other current assets

Increase to ₱4.74 billion from 3.02 billion coming from downpayments and advances to suppliers and subcontractors; prepaid commissions and related input Value Added Tax on construction materials purchased.

4% increase in Associates

Increase to ₱135.07 million from ₱129.85 million mainly from investment to ICOM Air Corporation and Magspeak Nature Park, Inc. during the year amounting to ₱110.82 million and ₱24.25 million, respectively.

42% increase in Property and equipment

Increase to ₱915.67 million from ₱643.39 million with the construction of new offices and branches to support CLI's expanding developments.

31% increase in Investment properties

Increase to ₱13.24 billion from ₱10.09 billion attributed to ongoing construction of our investment properties, which include our hospitality and commercial assets..

21% increase in Right-of-use asset and 35% increase in Lease liabilities

Right-of-use asset and Lease liability increased to ₱1.15 billion and ₱1.13 billion, respectively, with recognition of the high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office and Patria during the year.

LIABILITIES

35% increase in Interest-bearing loans and borrowings (including non-current portion)

Increase to ₱32.02 billion from ₱23.79 billion mainly from the ₱11.48 billion new bank loans during the year.

71% increase in Trade and other payables (including non-current portion)

Increase to ₱12.82 billion from ₱7.48 billion mainly represent accrued cost of sales to match revenue recognition, outstanding obligations to owners of parcels of land acquired, subcontractors and suppliers of construction materials.

21% increase in Deferred Tax Liabilities

Increase to ₱2.05 billion from ₱1.69 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

111% increase in Capital Stock

Due to the declaration of stock dividends amounting to 1,909,451,997 common shares with a par value of P1.00 or ₱1.9 billion as approved by the PSE on July 6, 2021.

2% increase in Treasury Shares

From the BOD approved buyback program in 2020, in the Parent Company reacquired 2,599,600 shares of its common stock in 2021 for ₱15.32 million and presented them as Treasury Stock in the consolidated statement of financial position.

5% increase in Revaluation reserves

Increase to ₱13.48 million from ₱12.88 million due to increase in estimated loss on remeasurement of post-employment defined benefit obligation.

3% increase in Non-Controlling Interest

Increase to ₱7.09 billion from ₱6.9 billion significantly from additional paid-in capital during the year to CLI-LITE amount to ₱252.73 million. Also, Mivesa Garden Residences, Inc. (MGR) declared total cash dividends of ₱160 million of which ₱88 million is payable to non-controlling shareholders.

As of December 31, 2020 vs December 31, 2019

CLI's balance sheet remained solid and healthy to support construction and expansion plans. As of December 31, 2020, CLI's consolidated assets reported a 31% y-o-y growth to ₱50.09 billion from ₱38.28 billion driven by the increase in contract assets and investment properties.

ASSETS

13% decrease in Cash and Cash equivalents

Decreased to ₱797.18 million from ₱917.17 million due to additional safety and health equipment, rapid testing and donations to aid the Company's customers, employees and community during COVID.

5% increase in Accounts receivable (including non-current portion)

Increased to ₱6.14 billion from ₱5.88 billion mainly due to reclassification of customer's outstanding receivable on fully completed units in Mivesa Garden Residences, Latitude and Villa Casita North from contract assets to accounts receivable.

56% increase in Contract assets (including non-current portion)

Increased to ₱13.86 billion from ₱8.89 billion mainly from installment contracts on existing and newly launched projects during the year that continue to recognize real estate sales revenue as construction progresses.

42% increase in Real estate inventory

Increased to ₱13.40 billion from ₱9.45 billion driven by unsold inventory on newly projects launched during the year and ₱1.46 billion fully paid raw land reclassified from deposits on land to real estate inventory.

46% decrease in Deposits on land for future development (including non-current portion)

Decreased to ₱699.77 million from ₱1.29 billion as fully paid land purchases were reclassified to raw land inventory. Additional deposits on land for the year amount to ₱868.10 million.

121% increase in Due from related parties

Transactions paid by the Parent Company on behalf of its related parties increased to ₱21.95 million from ₱9.95 million mainly from cash advances to shareholders, entities under common ownership and associates.

33% increase in Prepayments and other current assets

Increased to ₱3.02 billion from ₱2.27 billion coming from advances to suppliers and subcontractors; prepaid commissions and related input Value Added Tax on construction materials purchased.

693% increase in Associates

Increased to ₱129.85 million from ₱16.38 million mainly from investment to ICOM Air Corporation during the year amounting to ₱96.49 million.

81% increase in Property and equipment

Increased to ₱ 643.39 million from ₱355.12 million with the construction of new offices and branches to support CLI's expanding developments.

13% increase in Investment properties

Increased to ₱10.09 billion from ₱8.90 billion attributed to ongoing construction on recurring income projects and businesses.

444% increase in Right-of-use asset and 495% increase in Lease liabilities

Right-of-use asset and Lease liability increased to ₱950.90 million and ₱834.73 million, respectively, with recognition of the high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office during the year.

LIABILITIES

41% increase in Interest-bearing loans and borrowings (including non-current portion)

Increased to ₱23.79 billion from ₱16.85 billion mainly from the ₱8.0 billion Corporate Notes issued during the year.

29% increase in Trade and other payables (including non-current portion)

Increased to ₱7.48 billion from ₱5.78 billion representing outstanding obligations to subcontractors and suppliers of construction materials.

50% increase in Deferred Tax Liabilities

Increased to ₱1.69 billion from ₱1.12 billion due to additional recognized tax liability on taxable temporary differences.

EQUITY

196% increase in Treasury Shares

On March 27, 2020, the Board of Directors (BOD) of the Parent Company approved an additional ₱500.0 million stock buy-back program to support CLI's stock price and take advantage of the current low valuation for the next two years. Treasury shares purchased during the period amount to ₱485.66 million.

105% increase in Revaluation reserves

Increased to ₱12.88 million from ₱6.59 million due to an increase in estimated loss on remeasurement of post-employment defined benefit obligation.

15% increase in Non-Controlling Interest

Increased to ₱6.90 billion from ₱6.06 billion due to the additional paid-in capital during the year to fund JVs, Cebu Homegrown Developers, Inc. (CHDI), Cebu BL Ramos Ventures (CBLRV), and GGTT Realty Corporation (GGTT).

KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS- for Q3 2023

Known Trends, Events, or Uncertainties (Material Impact on Liquidity and on Sales)

None.

Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

None.

All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

The Company's target capital expenditures for the year amounts to ₱13.5 billion. For the nine months 2023, a total of ₱10.4Bn was spent, with the majority, or 86.7% for project development..

Any significant elements of Income or Loss

None.

Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item

None.

Seasonal Aspects that have Material Effect on the Financial Statement

None.

Key Performance Indicators

The Company uses a range of financial and operational key performance indicators (“**KPIs**”) to help measure and manage its performance. These KPIs reflect the Company’s continuous focus on growth, capital efficiency, cost control and profitability across all its operations. The management considers the following as KPIs:

| | As of Sep 2023 | 2022 | 2021 | 2020 | 2019 |
|--|----------------|--------------|--------------|---------------|---------------|
| Gross Profit Margin ¹ | 47% | 47% | 46% | 48% | 49% |
| Net Income Margin ² | 23% | 23% | 24% | 25% | 29% |
| EBITDA ³ | ₱5.28 billion | ₱5.7 billion | ₱3.7 billion | ₱3.36 billion | ₱3.42 billion |
| EBITDA Margin ⁴ | 41% | 36% | 33% | 40% | 40% |
| Return on Average Assets ⁵ | 5% | 5% | 5% | 5% | 8% |
| Return on Average Equity (Parent) ⁶ | 25% | 26% | 27% | 23% | 29% |
| Current Ratio ⁷ | 1.57 | 1.61 | 1.67 | 2.41 | 2.56 |
| Debt to Equity Ratio ⁸ | 1.88 | 1.90 | 1.79 | 1.53 | 1.23 |
| Net Debt to Equity Ratio ⁹ | 1.82 | 1.84 | 1.72 | 1.48 | 1.16 |
| Interest Coverage Ratio ¹⁰ | 4.26 | 5.55 | 3.90 | 4.54 | 6.41 |

| | YTD September 30, 2023 | YTD September 30, 2022 |
|---------------------------------------|------------------------|------------------------|
| Gross Profit Margin ¹ | 47% | 45% |
| Net Income Margin ² | 23% | 22% |
| EBITDA ³ | ₱5.28 billion | ₱3.84 billion |
| EBITDA Margin ⁴ | 41% | 35% |
| Interest Coverage Ratio ¹⁰ | 4.26 | 3.63 |

| | YTD September 30, 2023 | YTD December 31, 2022 |
|---|---------------------------|--------------------------|
| Return on Assets ⁵ | 5% | 5% |
| Return on Average Equity (Parent) ⁶ | 25% | 26% |
| Current Ratio ⁷ | 1.57 | 1.61 |
| Net Debt to Equity Ratio ⁹ | 1.82 | 1.84 |
| Debt to Equity Ratio ⁸ | 1.88 | 1.90 |

¹ Gross Profit Margin is gross profit as a percentage of revenues

² Net Income Margin is net income as a percentage of revenues

³ EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items.

⁴ EBITDA margin is EBITDA as a percentage of revenues

⁵ Return on Average Assets is net income as a percentage of the average assets as at year-end and assets as at end of the immediately preceding year.

⁶ Return on Average Equity is net income as a percentage of the average of the equity as at year-end and equity as at end of the immediately preceding year.

⁷ Current Ratio is current assets divided by current liabilities

⁸ Debt to Equity Ratio is interest bearing debt over total equity

⁹ Net Debt to Equity Ratio is interest bearing debt less cash and cash equivalent over total equity

¹⁰ Interest Coverage ratio is computed by dividing EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization) to interest paid during the period. For purposes of the covenants, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year.

The Company's gross profit margin (GPM) is dependent on the mix of revenue during the period. For the first nine months of 2023, CLI's GPM increased from 46%, this is due to the higher contribution of premier projects which generated higher margins (31%) compared to only 24% in 2022. Additionally, recurring projects posted lesser revenue contributions during the year, these projects have Gross Profit Margins with over 50% to 60%. Meanwhile, Net Income Margin remains healthy at 23%.

For the period ended September 30, 2023, all other ratios remain healthy with Return on Assets at 5% and Return on Equity (Parent) at 25%. Net Debt to Equity ratio improved to 1.82x .from 1.84x to from the capital infusions attributed to joint venture projects. The Company's current ratio projects ample liquidity at 1.57x.

Management together with key officers continue to effectively handle their respective operations and financial requirements despite the pandemic. As a result, CLI's financial position remains liquid and strong.

KPIS SUBJECT OF LOAN COVENANTS

The notes facility agreements to which CLI is a party require that it should maintain the following financial ratios, with testing to be done by the Facility Agent annually based on CLI's year-end audited consolidated financial statements:

- a. a Debt-to-Equity Ratio not exceeding 2.5:1;
- b. a Current Ratio of 1:1; and
- c. Interest Coverage Ratio of at least 3:1.

"Debt-to-Equity Ratio" means the result obtained by dividing (i) the amount of interest-bearing liabilities of the Issuer by (ii) total Equity of the Issuer, in each case as appearing in the latest consolidated audited balance sheet of the Issuer; provided, that if the Issuer issues preferred shares which are (1) either redeemable at fixed date, or redeemable at the option of the holder of the preferred shares, and (2) the Issuer is obliged to make payments in the form of either interest or dividends, or the terms and conditions of the issuance of preferred shares oblige the Issuer to distribute a specific percentage of profits, then such preferred shares shall be categorized as liabilities falling under (i) hereof, otherwise, it shall be classified as part of Equity when computing the Debt-to-Equity Ratio. "Equity" means, at any date and as shown in the latest consolidated audited balance sheet of the Issuer, the aggregate of outstanding capital stock, additional paid-in capital, equity reserve and retained earnings.

"Current Ratio" means the proportion of Current Assets to Current Liabilities and is determined by dividing Current Assets by Current Liabilities. "Current Assets" means, at any date, the aggregate current assets as shown in the latest consolidated balance sheet of the Issuer (as at such date), prepared in compliance with

accounting principles generally accepted in the Philippines as set forth in PFRS. “Current Liabilities” means, at any date, the aggregate current liabilities as shown in the latest consolidated balance sheet of the Issuer (as at such date), prepared in compliance with accounting principles generally accepted in the Philippines as set forth in PFRS.

For purposes of the covenant on Interest Coverage Ratio, the ratio shall be computed using 12-months trailing EBITDA plus cash balance over interest due for the next year. “EBITDA” means, during the relevant period, the net earnings of the Issuer before deducting net interest expense, income tax, depreciation, and amortization, as determined in accordance with PFRS and based on the Issuer’s consolidated audited financial statements.

FINANCIAL STATEMENTS

The Company’s consolidated financial statements as of and for the period ending September 30, 2023 are incorporated in the accompanying *Index to Exhibits*.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has engaged the services of Punongbayan and Araullo (P&A) Grant Thornton. There were no disagreements with the firm on any matter of accounting and financial disclosure.

THE MANAGEMENT OF CLI HEREBY UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH PERSON SOLICITED A COPY OF ITS ANNUAL REPORT OR SEC FORM 17-A UPON WRITTEN REQUEST TO ITS INVESTOR RELATIONS OFFICER, MS. CLARISSA MAE A. CABALDA, WHO MAY BE REACHED AT HER OFFICIAL EMAIL ADDRESS AS INDICATED IN PAGE 33 HEREOF.