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

Atty. Alan C. Fontanosa
Contact Person

(032) 231 - 4870
Company Telephone Number

1	2
Month	

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Day	

20-IS
Form Type

0	6
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Annual Stockholders' Meeting

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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: \_\_\_\_\_

<b>CEBU LANDMASTERS, INC.</b>
<b>(Company's Full Name)</b>
<b>10TH FLOOR, PARK CENTRALE TOWER JOSE MA. DEL MAR ST., B2 L3 CEBU IT PARK, BRGY. APAS CEBU CITY, PHILIPPINES 6000</b>
<b>(Company Address)</b>
<b>(032) 231 - 4870</b>
<b>(Telephone Number)</b>
<b>December 31, 2022</b>
<b>(Fiscal Year Ended)</b>
<b>SEC Form 20-IS Definitive Information Statement</b>
<b>(Form Type)</b>
<b>(Amendments)</b>

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. **01 June 2023, 9:30 A.M., hybrid of remote, through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines**  
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  
**11 May 2023**
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):

Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding		
Title of Each Class	2022 (as of 31 December 2022)	2023 (as of 01 March 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: 01 June 2023 (Thursday)  
TIME: 9:30 A.M.  
VENUE: Hybrid of remote, through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines

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

**The Information Statement, specifically the Preliminary Information Statement (SEC Form 20-IS) and its accompanying annexures, may be accessed by CLI stockholders beginning 20 April 2023 at the Company website (see link below). CLI undertakes to publish and upload copy of its Definitive Information Statement (SEC Form 20-ISA) and its accompanying annexures at the Company website by 11 May 2023, which is twenty-one (21) calendar days before CLI's 2023 ASM, in compliance with the requirements of the Securities and Exchange Commission.**

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

##### **Item 2. Dissenters' Right of Appraisal**

One of the agenda items that will be presented for the approval of CLI stockholders is the proposed amendment of Article VII of CLI's Articles of Incorporation ("AOI") to create a new class of 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 preferred shares with a par value of Php 1.00 per share.

This matter will give rise to the right of appraisal pursuant to Section 80 of the Revised Corporation Code of the Philippines (R.A. 11232), which states that 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.

As provided under Section 81 of the Revised Corporation Code of the Philippines, the appraisal right may be exercised by the dissenting stockholder who votes against a proposed corporate action by making a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and

appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the Company.

**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 proposed amendment of Article VII of CLI’s AOI to create a new class of preferred shares through the reclassification of 1 billion unissued common shares with a par value of Php 1.00 per share to 1 billion preferred shares with a par value of Php 1.00 per share.

As of 20 April 2023, the record date of this ASM, AB Soberano Holdings Corp. (“ABSH”) owns 63.02% 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 Annual 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 2022**

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

- (b) **Record Date: 20 April 2023**

Per resolution of the Board during its special meeting on 20 March 2023, all CLI shareholders as of 20 April 2023 are entitled to attend and vote at this Annual 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.

For the election of Board directors, holders of CLI stocks as of the record date of 20 April 2023 may vote their shares by way of “cumulative voting for one candidate” or “cumulative voting by distribution” – all in keeping with Sec. 23 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines (otherwise “RCC”, for brevity).

In “cumulative voting for one candidate”, a holder of CLI stocks may lump and vote all of his/her cumulative shares for one candidate such that if he/she owns 1,000 shares and there are nine (9) directors standing for election, he/she may cast all of his/her 9,000 votes in favor of one candidate. In “cumulative voting by distribution”, he/she may cast his/her 9,000 votes among two or more candidates equally or some other proportion at his/her discretion. The Company sets no condition-precedent for the exercise of one voting method over the other since these options are provided for by law.

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 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 the moment, 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 Annual 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 25 May 2023 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 the record date of this ASM (20 April 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	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	21,345,560	0.59%
Common	AB Soberano Holdings Corp.  Address: 2nd Street Villa San Lorenzo, Quijada Street,	AB Soberano Holdings Corp.  (Direct)	Filipino	63,675,306	1.76%

	Guadalupe, Cebu City 6000				
	Relationship with CLI: Parent Company				
Common	PCD NOMINEE CORP. (FILIPINO)  Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226  Relationship with CLI: None	PCD participants acting for themselves or for their customers  (Indirect)	Filipino	1,273,445,097	35.11%
Common	PCD NOMINEE CORP. (NON- FILIPINO)  Address: PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226  Relationship with CLI: None	PCD participants acting for themselves or for their customers  (Indirect)	Others	17,321,308	0.51%
Common	Jose R. Soberano III (Direct  Address: #2 Villa San Lorenzo, Don Gervacio Quijada St., Guadalupe, Cebu City  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.	Jose R. Soberano III (Direct)	Filipino	31,220,000	0.86%
Common	Jose Franco B. Soberano	Jose Franco B. Soberano	Filipino	7,247,500	0.20%



	<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>	(Direct)			
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 Communications and Customer Relations</p>	<p>Janella Mae B. Soberano-Wu</p> <p>(Direct)</p>	Filipino	5,017,500	0.14%
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	Ma. Nona A. Velez  Address: Cebu City  Relationship with CLI: None	Ma. Nona A. Velez	Filipino	300,000	0.01%
Common	Myrna P. Villanueva  Address: Pasay City  Relationship with CLI: None	Myrna P. Villanueva (Direct)	Filipino	39,300	0.00%
Common	Milagros P. Villanueva  Address: Pasay City  Relationship with CLI: None	Milagros P. Villanueva (Direct)	Filipino	22,300	0.00%
Common	Marietta V. Cabreza  Address: Imus City, Cavite  Relationship with CLI: None	Marietta V. Cabreza (Direct)	Filipino	22,300	0.00%
Common	Lolita Siao-Ignacio  Address: Muntinlupa City  Relationship with CLI: None	Lolita Siao-Ignacio (Direct)	Filipino	22,300	0.00%
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	Owen Nathaniel S	Filipino	111	0.00%

	ITF: LI MARCUS AU	AU ITF: LI MARCUS AU (Indirect)			
Common	<p>Jesus N. Alcordo</p> <p>Address: 507 Balitok St., Ayala Alabang Village, Muntinlupa City</p> <p>Relationship with CLI: Former Independent Director of CLI</p>	<p>Jesus N. Alcordo</p> <p>(Direct)</p>	Filipino	2	0.00%
Common	<p>Ma. Aurora D. Geotina-Garcia</p> <p>Address: 27 Sanson St., Corinthian Gardens, Quezon City</p> <p>Relationship with CLI: Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.</p>	<p>Ma. Aurora D. Geotina-Garcia</p> <p>(Direct)</p>	Filipino	2	0.00%
Common	<p>Rufino Luis T. Manotok</p> <p>Address: 133 Rizal St., Ayala Southvale Village, Bacoar, Cavite</p> <p>Relationship with CLI: Lead Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.</p>	<p>Rufino Luis T. Manotok</p> <p>(Direct)</p>	Filipino	2	0.00%
Common	<p>Gregorio Chua Cantemprate or Geoffrey Hans Uy Cantemprate</p> <p>Address: Quezon City</p>	<p>Gregorio Chua Cantemprate or Geoffrey Hans Uy Cantemprate</p> <p>(Direct)</p>	Filipino	111,500	0.00%

	Relationship with CLI: None				
Common	Gregorio Chua Cantemprate or Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate  Address: Quezon City  Relationship with CLI: None	Gregorio Chua Cantemprate or Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate (Direct)	Filipino	44,600	0.00%
Common	Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate  Address: Quezon City  Relationship with CLI: None	Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate (Direct)	Filipino	158,330	0.00%
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 both have not 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 07 June 2022 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	64	Director, Treasurer and Executive Vice-President	Filipino	September 2003
Jose Franco B. Soberano	37	Director, Chief Operating Officer (COO), and Executive Vice-President	Filipino	November 2010
Beauregard Grant L. Cheng	41	Director and Chief Financial Officer (CFO)	Filipino	May 2019
Joanna Marie S. Bergundthal	35	Director, Senior Vice-President for Marketing and Asst. Treasurer	Filipino	February 2017
Rufino Luis T. Manotok	72	Lead Independent Director	Filipino	February 2017
Ma. Aurora D. Geotina-Garcia	70	Independent Director	Filipino	February 2017
Atty. Ma. Jasmine S. Oporto	63	Independent Director	Filipino	August 2018
Stephen A. Tan	66	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.

<b>Name of Entity</b>	<b>Classification</b>	<b>Position</b>
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**, 64, 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, COO, and Executive Vice-President 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**, 41, 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**, 35, 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**, 72, 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
First Metro Investment Corporation	Non-PLC	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**, 70, 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	Independent Director
Professional Services, Inc.	Non-PLC	Lead Independent Director
Mageo Consulting Inc.	Non-PLC	President

**Atty. Ma. Jasmine S. Oporto**, 63, 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**, 66, 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 Katholieke 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
Tsuneishi Heavy Industries (Cebu), Inc.	Non-PLC	Treasurer

(ii) **Nominees for Directors and Independent Directors**

The following are the nominees for CLI Directors, including CLI Independent Directors, for the 2023-2024 term who were all nominated by the Nominations Committee, composed of Dir. Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, and Dir. Rufino Luis T. Manotok, the Chairperson of the Nominations Committee, in a regular meeting held on 10 March 2023. The Nomination Committee passed upon the qualifications of the nominees and ascertained that they do not possess any of the disqualifications. The nominated CLI Directors, including the nominated CLI Independent Directors, have signified their acceptance of the nominations.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Citizenship</u>
Jose R. Soberano III	67	Chairman of the Board	Filipino
Ma. Rosario B. Soberano	64	Director	Filipino
Jose Franco B. Soberano	37	Director	Filipino
Beauregard Grant L. Cheng	41	Director	Filipino
Joanna Marie S. Bergundthal	35	Director	Filipino
Rufino Luis T. Manotok	72	Lead Independent Director	Filipino
Ma. Aurora D. Geotina-Garcia	70	Independent Director	Filipino
Atty. Ma. Jasmine S. Oporto	63	Independent Director	Filipino
Stephen A. Tan	66	Non-Executive Director	Filipino

The nominated Independent Directors are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out his or her responsibilities as a director in CLI. They do not own more than five (5%) of the outstanding shares of CLI and/or its subsidiaries and affiliates. They are not related to any director, officer, or shareholder owning at least 20% of the outstanding capital stock of CLI. They are likewise not acting as a nominee or representative of any director or substantial shareholder of CLI and/or any of its subsidiaries and affiliates pursuant to a Deed of Trust or under any contract or arrangement. They have not been employed in any executive capacity in CLI, any of its related companies, and/or by any of its substantial shareholders within the last two (2) years, or have not been retained, either personally or through his firm or any similar entity, as professional adviser, by CLI or any of its subsidiaries and affiliates, within the last two (2) years, and they have not engaged in any transaction with CLI and/or with any of its subsidiaries and affiliates, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted on an arm's-length basis. Lastly, they all possess the qualifications of an independent director, and they suffer from none of the disqualifications as provided for under the Revised Corporation Code, the Securities Regulation Code, and its pertinent rules and regulations.

The nomination, pre-screening, and election of the Independent Directors were made in accordance with SRC Rule 38, as amended, Article IV, Section 3 of CLI's Amended By-laws, the Nomination Committee Charter, and its pertinent guidelines.



(iii) 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	64	Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	37	COO and Executive Vice-President	Filipino
Beauregard Grant L. Cheng	41	Chief Financial Officer	Filipino
Joanna Marie S. Bergundthal	35	Senior Vice-President for Marketing and Asst. Treasurer	Filipino
Janella Mae S. Wu	31	Assistant Vice-President for Corporate Communications and Customer Relations	Filipino
Marie Rose C. Yulo	54	Vice-President for Sales	Filipino
Engr. Pedrito A. Capistrano, Jr.	59	Vice-President for Engineering	Filipino
Atty. Larri-Nil G. Veloso	44	Vice-President for Legal and Asst. Corporate Secretary	Filipino
Connie N. Guieb	44	Vice-President for Finance & Accounting, and CLI Financial Comptroller	Filipino
Jessel M. Kabigting	53	Vice-President for Operations	Filipino
Sylvan John M. Monzon	48	Vice-President for Business Development	Filipino
Mark Leo M. Chang	44	Vice-President for External Affairs	Filipino
Rhodora M. Vicencio	50	Vice-President for Property Management	Filipino
Julieta R. Castaños	43	Assistant Vice-President for Business Development	Filipino
Marilou P. Plando	47	Assistant Vice-President for Risk Management and Chief Risk Officer (CRO)	Filipino
Atty. Alan C. Fontanosa	60	Corporate Secretary	Filipino
Atty. John Edmar G. Garde	34	Compliance Officer	Filipino
Clarissa Mae A. Cabalda	33	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**, 31, 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**, 54, Filipino, is the Company’s 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.**, 59, Filipino, is the 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**, 44, Filipino, is the 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.

**Connie N. Guieb**, 44, Filipino, is the Vice-President for Finance and Accounting. A certified public accountant, she also serves as the Company's Financial Comptroller. She has more than 15 years of accountancy and finance experience in various industries in both public and private sectors in the Philippines. She graduated *cum laude* with a Bachelor of Science in Accountancy degree from the University of San Carlos, and Bachelor of Laws from the University of Cebu. 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.

**Jessel M. Kabigting**, 53, Filipino, is the Vice-President for Operations of the Company. He finished Civil Engineering from the University of Santo Tomas and is the Gold Medalist in the Ateneo-Regis University MBA Program with a specialization in Marketing and Finance. He worked for 25 years in construction, real estate, and in outsourcing companies prior to joining the Company. He managed the planning, construction, procurement, and operations of various residential, office, retail, and mixed-use projects in the Philippines under Ayala Land and MDC. He also previously worked at Accenture for 6 years and served as Service Transition Executive and Solution Architect for the Philippines. During this time, he led outsourcing and sales engagements for Philippines and India and worked with clients from the USA and Europe. He used to manage day-to-day business operations for three firms before joining the Company. 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**, 44, 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.

**Julieta R. Castaños**, 43, Filipino, joined the Company as Business Unit Head for Cebu Residential Projects in March 2020. She obtained her Bachelor of Science in Accountancy from the University of San Carlos in 2000. She previously worked at Filinvest Land, Inc. for 14 years with various functions: from April 2005 to January 2009 as Branch Accountant; from January 2009 to January 2012 as Branch Operations Head; from January 2012 to May 2013 and from September 2014 to April 2018 as Senior Manager for Project Development; and from April 2018 to February 2020 as Project Development Head for Visayas and North Mindanao. Prior to this, she was with Aboitiz Land, Inc. from 2002 to 2005 where she held positions in the Accounting Department and ultimately rising to the position of Business Development Manager in March 2013 before leaving the group in September 2014. She was also elected President of the Subdivision and Housing Developers Association, Central Visayas Chapter (SHDA-CV) from 2015 to 2017 and is currently one of the Board of Advisers of SHDA-CV. 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.

**Marilou P. Plando**, 47, 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**, 60, 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**, 34, Filipino, is the Compliance Officer of CLI. Prior to joining CLI as Legal Counsel and Compliance Officer, 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**, 33, 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.

(iv) **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.

(v) **Resignation of Directors**

None of the current set of directors has resigned. The incumbent Board members will stand for re-election at this Annual Stockholders' Meeting.

(vi) **Significant Employees**

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

(vii) **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).

(viii) **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 2022 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 FY2022 Audited Financial Statements.

**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 Executive Vice-President
Beauregard Grant L. Cheng	CFO
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 the estimated amount for 2023.

	Year	Basic Compensation (in ₱)	Other Compensation (in ₱)
President and CEO and the four most highly compensated executive officers named above.....	(est.) 2023	55,476,251.16	17,302,868.30
	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	(est.) 2023	41,619,917.46	10,131,169.79
	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 its meeting on 20 March 2023 the Company's Audit Committee recommended that Punongbayan & Araullo shall remain as the external auditor for fiscal year 2023, subject to its formal appointment at the Annual Stockholders Meeting on 01 June 2023.

For the 2022-2023 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 Sique-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. Ferarez, 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
Audit and Audit Related Fees	₱2,327,437.55	₱2,464,000.00	₱3,310,657.61
Non-audit fees	₱19,975.00	₱69,000.00	None
TOTAL	₱2,347,412.55	₱2,533,000.00	₱3,310,657.61

**Item 8. Compensation Plans**

There are no matters or actions to be taken up in the Annual Stockholders Meeting on 1 June 2023 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

An amendment of Article VII of CLI’s Articles of Incorporation (“AOI”) will be submitted for approval of its stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock during the Annual Stockholders’ Meeting on 01 June 2023.

The proposed amendment was approved by the Board during a special meeting held on 25 April 2023.

The purpose of the amendment of AOI is to create a new class of 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 preferred shares with a par value of Php 1.00 per share.

The new class of preferred shares, which shall be cumulative, non-voting, and non-participating shall be offered for private and/or public offering, subject to the securing of the necessary approvals from the government regulators. Other salient terms and conditions and commercial terms shall be for the determination of the CLI Board.

b. Terms of the securities

The new class of preferred shares shall be cumulative, non-voting, and non-participating.

The cumulative feature of the proposed new class of preferred shares creates a preference over existing stockholders with respect to dividend payments. If a dividend is omitted in any year, it must be made up in a later year before any dividend may be paid on the common or non-cumulative preferred shares on such later year.

Except for fundamental matters required under law, the new class of preferred shares shall have no voting rights.

Since non-participating in nature, the new class of preferred shares shall not be entitled to participate with the common shares in excess distribution.

For full disclosure purposes, CLI has no immediate plans or resolutions to offer or issue the new class of preferred shares. The purported amendment of AOI is merely preparatory and preliminary.

Hence, other salient terms and conditions, including dividend rates, convertibility feature, conversion prices, redemption feature, redemption prices, maturity dates, and similar matters shall be determined by the CLI Board of Directors. Pursuant to existing law and regulations and the purported amendment of its AOI, the CLI Board shall be granted authority to determine and fix the

other terms and conditions of the new class of preferred shares which are not otherwise expressly stated herein.

- c. Nature and approximate amount of consideration received or to be received by the registrant

The other terms and conditions of the issuance of the new class of preferred shares, including the nature and amount of consideration, will be determined by the CLI Board of Directors at a later date.

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

The issuance of the new class of preferred shares shall be through private placement and/or public offering, subject to the determination of the CLI Board of Directors at a later date and the securing of the necessary approvals from the government regulators.

To be clear and unequivocal, CLI has no immediate plans or resolutions to offer or issue the new class of preferred shares. The purported amendment of AOI is merely preparatory and preliminary, hence, the grant of authority to the CLI Board to determine and fix the other terms and conditions not stated herein. This will allow CLI to offer and issue the new class of preferred shares having market standard commercial terms when the circumstances are conducive.

The proposed new class of preferred shares, meanwhile, shall be cumulative, non-voting (except for fundamental matters required under law), and non-participating. Other salient terms and conditions and commercial terms shall be for the determination of the CLI Board.

The cumulative feature of the proposed new class of preferred shares creates a preference over existing stockholders with respect to dividend payments. If a dividend is omitted in any year, it must be made up in a later year before any dividend may be paid on the common or non-cumulative preferred shares on such later year.

#### **Item 10. Modification or Exchange of Securities**

As discussed in Item 9 above, one of the agenda items that will be presented for approval of CLI stockholders is the amendment of Article VII of the Company's Articles of Incorporation ("AOI") to create a new class of 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 preferred shares with a par value of Php 1.00 per share.

Currently, the authorized capital stock of CLI is Ten Billion One Hundred Million Pesos (Php10,100,000,000.00), divided into:

- (a) Ten Billion (10,000,000,000) common shares with a par value of One Peso (Php 1.00) per share; and
- (b) One Billion (1,000,000,000) voting preferred shares with a par value of Ten Centavos (Php 0.10) per share.

Pursuant to Article VII of CLI's AOI, the preferred shares may be issued from time to time, as the Board of Directors, through a resolution may determine.

Further thereto, the AOI expressly stipulates that the current class of preferred shares shall have the following features, rights, and privileges: (1) full voting rights, one vote for each share in the holder's name on the books of CLI; and (2) non-cumulative cash dividends based on the rate of its par value. At present, the entire current class of preferred shares remain unissued.

The proposed new class of preferred shares, meanwhile, shall be cumulative, non-voting (except for fundamental matters required under law), and non-participating. Other salient terms and conditions and commercial terms shall be for the determination of the CLI Board.

The cumulative feature of the proposed new class of preferred shares creates a preference over existing stockholders with respect to dividend payments. If a dividend is omitted in any year, it must be made up in a later year before any dividend may be paid on the common or non-cumulative preferred shares on such later year.



The issuance of the new class of preferred shares shall be through private placement and/or public offering, subject to the determination of the CLI Board of Directors at a later date and the securing of the necessary approvals from the government regulators, including listing and registration of preferred shares to be issued with the PSE, if applicable.

As discussed and explained in Item 9 (d) above, CLI has no immediate plans or resolutions to offer or issue the new class of preferred shares. The purported amendment of AOI is merely preparatory and preliminary, hence, the grant of authority to the CLI Board to determine and fix the other terms and conditions not stated herein. This will allow CLI to offer and issue the new class of preferred shares having market standard commercial terms when the circumstances are conducive.

## **Item 11. Financial and Other Information**

### **(a) Required Information**

#### **(1) Financial Statements**

Copies of the 2022 consolidated financial statements of the Company, prepared in accordance with SRC Rule 68 as amended, as well as its SEC Form 17-A (Annual Report) 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](mailto:clarissa@cebulandmasters.com) or at her office address: 19<sup>th</sup> 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
<b>2017</b>			
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
<b>2018</b>			
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
<b>2019</b>			
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
<b>2020</b>			
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
<b>2021</b> *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
<b>2022</b>			
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
<b>2023</b>			
First Quarter	2.68	2.60	2.63

The market capitalization of CLI as of end-2022, based on the closing price of ₱2.80/share, was approximately ₱9.7 billion. As of 23 March 2023, the number of persons holding CLI common shares is twenty-three (23). On 28 March 2023, shares in the Company finish at ₱2.63/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

Year of Dividend Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	Amount Paid (in ₱)
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 (est.)

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 ASM record date (20 April 2023):

Common Shares - Outstanding	3,465,201,467
Total number of stockholders (Common Shares)	23
No. of shares per board lot (Common Shares)	1,000
Total number of stockholders owning at least 1 board lot (Common Shares)	19
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 the ASM record date (20 April 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)	1,273,445,097	35.11%
AB Soberano Holdings Corp.	63,675,306	1.76%
Jose R. Soberano III	31,220,000	0.86%
AB Soberano Holdings Corp.	21,345,560	0.59%
PCD NOMINEE CORP. (NON-FILIPINO)	17,321,308	0.51%
Jose Franco B. Soberano	7,247,500	0.20%
Janella Mae B. Soberano-Wu	5,017,500	0.14%
Joanna Marie B. Soberano- Bergundthal	5,017,500	0.14%
Ma. Nona A. Velez	300,000	0.01%
Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate	158,330	0.00%
Gregorio Chua Cantemprate or Geoffrey Hans Uy Cantemprate	111,500	0.00%
Gregorio Chua Cantemprate or Minda Uy Cantemprate or Geoffrey Hans Uy Cantemprate	44,600	0.00%
Myrna P. Villanueva	39,300	0.00%
Myra P. Villanueva	33,450	0.00%
Milagros P. Villanueva	22,300	0.00%
Marietta V. Cabreza	22,300	0.00%
Lolita Siao-Ignacio	22,300	0.00%
Maria Lourdes M. Onozawa	22,300	0.00%
Owen Nathaniel S AU ITF: LI MARCUS AU	111	0.00%

**(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 2022.

**(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 07 June 2022, 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 Board shall constitute a Compensation and Benefits Committee which 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 annual 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 those in Danao, Consolacion, San Fernando, as well as prime lots with beach frontage in Panglao Island, Bohol. The stockholders also discussed CLI’s new joint venture with Lite Properties Corporation, i.e., CLI-LITE Panglao, Inc., as well as CLI’s increased ownership in Ming-Mori Development Corporation.

d. The voting results are as follows:

Agenda Item	Yes	No	Abstain
Approval of Previous Minutes	2,637,894,534	0	0
Approval of CFO’s Report	2,637,894,534	0	0
Approval of COO’s Report	2,637,894,534	0	0
Approval of Chairman’s Report	2,637,894,534	0	0
Approval of Audited Financial Statements as of 31 Dec 2021	2,637,894,534	0	0
Ratification of all acts of the Board of Directors during its 2021-2022 term	2,637,894,534	0	0
Election of the Board of Directors for the 2022-23 term			
Jose R. Soberano III	2,637,503,534	319,000	0
Ma. Rosario B. Soberano	2,637,503,534	319,000	0
Jose Franco B. Soberano	2,637,894,534	0	0
Joanna Marie S. Bergundthal	2,637,894,534	0	0
Stephen A. Tan	2,637,894,534	0	0

Beauregard Grant L. Cheng	2,637,894,534	0	0
Rufino Luis T. Manotok	2,637,894,534	0	0
Ma. Aurora D. Geotina-Garcia	2,637,894,534	0	0
Atty. Ma. Jasmine S. Oporto	2,637,894,534	0	0

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

NAME	Direct / Indirect Shareholding
Aries Vann R. Saquibal	Indirect
Crispulo S. Onrubia	Indirect
Christopher Chua	Indirect
Joshua M. Generoso	Indirect
Reynaldo L. Roxas	Indirect
Aldren D. Rivera	Indirect
Joshua C. Ramirez	Indirect
Joseph B. Uson	Indirect
Aries L. Cañete	Indirect
Ma. Aurora 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
Janella Mae B. Soberano	Direct and Indirect
Jose Gabriel B. Soberano	Indirect
Beauregard Grant L. Cheng	Direct
Clarissa Mae A. Cabalda	Direct

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
Atty. Larri-Nil G. Veloso	Assistant 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 two fiscal years, i.e. 2021 and 2022, and in the interim period in 2023.
- h. Five of the directors, namely Dir. Jose R. Soberano III, Dir. Ma. Rosario B. Soberano, Dir. Jose Franco B. Soberano, 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 2022 pursuant to Item 7(a) above:

Non-Executive Directors	Total Compensation in 2022 (in ₱)
Rufino Luis T. Manotok	811,111.10
Ma. Aurora D. Geotina-Garcia	777,777.76
Atty. Ma. Jasmine S. Oporto	736,842.12
Stephen A. Tan	877,777.75

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There are no matters or actions to be taken up during the Annual Stockholders Meeting on 01 June 2023 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 Annual Stockholders Meeting on 01 June 2023 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 Annual Stockholders Meeting on 01 June 2023 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 Audited Financial Statements as of December 31, 2022;
- (b) Approval and Ratification of all acts of the Board of Directors in 2022.
- (c) Approval of the Minutes of the Annual Stockholders’ Meeting held on 07 June 2022;

**Item 16. Matters Not Required to be Submitted**

None.

**Item 17. Amendment of Charter, Bylaws or Other Documents**

An amendment of Article VII of CLI’s Articles of Incorporation (“AOI”) will be submitted for approval of its stockholders during the Annual Stockholders’ Meeting on 01 June 2023.

The proposed amendment was approved by the Board during a special meeting held on 25 April 2023.

The purpose of the amendment of AOI is to create a new class of 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 preferred shares with a par value of Php 1.00 per share.

The new class of preferred shares, which shall be cumulative, non-voting, and non-participating shall be offered for private and/or public offering, subject to the securing of the necessary approvals from the government regulators. Other salient terms and conditions and commercial terms shall be for the determination of the CLI Board.

The cumulative feature of the proposed new class of preferred shares creates a preference over existing stockholders with respect to dividend payments. If a dividend is omitted in any year, it must be made up in a later year before any dividend may be paid on the common or non-cumulative preferred shares on such later year.

As discussed and explained in Item 9 (d) above, CLI has no immediate plans or resolutions to offer or issue the new class of preferred shares. The purported amendment of AOI is merely preparatory and preliminary, hence, the grant of authority to the CLI Board to determine and fix the other terms and conditions not stated herein. This will allow CLI to offer and issue the new class of preferred shares having market standard commercial terms when the circumstances are conducive.

#### **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 amendment of the Articles of Incorporation 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 Annual 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.

For the election of Board directors, holders of CLI stocks as of the record date of 20 April 2023 may vote their shares by way of "cumulative voting for one candidate" or "cumulative voting by distribution", all in keeping with Section 23 of the RCC.

In "cumulative voting for one candidate", a holder of CLI stocks may lump and vote all of his/her cumulative shares for one candidate such that if he/she owns 1,000 shares and there are nine (9) directors standing for election, he/she may cast all of his/her 9,000 votes in favor of one candidate. In "cumulative voting by distribution", he/she may cast his/her 9,000 votes among two or more candidates equally or some other proportion at his/her discretion. The Company sets no condition-precedent for the exercise of one voting method over the other since these options are provided for by law.

Consistent with Section 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 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 the moment, 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 Annual 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 25 May 2023 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 accounting firm of Punongbayan & Araullo 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 25 May 2023.

All votes received shall be tabulated by Punongbayan & Araullo, with the assistance of the Office of the Corporate Secretary and 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 Annual Meeting**

A copy of the Agenda enumerating the items for approval by stockholders at the annual 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 annual stockholder's meeting on 01 June 2023. 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 Annual Stockholders' Meeting on 01 June 2023 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 25 May 2023, 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](mailto:acfontanosa@syciplaw.com)**  
**Phone: +6332 233.1211 to 13**

**If delivered by email, kindly use the following addresses:**

**[corporate.secretary@cebulandmasters.com](mailto: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 Annual Stockholders' Meeting on 01 June 2023.

#### **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 01 June 2023.

#### **Item 4. Persons Making the Solicitation**

Not applicable for this Annual 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 Annual Stockholders' Meeting on 01 June 2023.

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

Not applicable. There are no solicitations of this nature during the Annual Stockholders' Meeting on 01 June 2023.



### **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 10 May 2023.

By:



---

**ATTY. ALAN C. FONTANOSA**  
Corporate Secretary

ANNEX “A”

AGENDA

CLI Annual Stockholders Meeting

01 June 2023

9:30 A.M. – 11:30 A.M.

Venue: Hybrid of remote, through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines

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 – 9:44 A.M.	Review and Approval of Previous Minutes  <i>Minutes of the Regular Stockholders’ Meeting held on 07 June 2022</i>	Shareholders
9:44 – 10:04 A.M.	<b>New Business</b>  CFO’s Report	Dir. B. Grant L. Cheng
10:06 – 10:26 A.M.	COO’s Report	Dir. J. Franco B. Soberano
10:28 – 10:48 A.M.	Chairman’s Report	Chairman Jose R. Soberano III
10:50 – 10:55 A.M.	Approval of Audited Financial Statements as of December 31, 2022	Dir. B. Grant L. Cheng
10:55 – 10:57 A.M.	Approval of the Amendment of the Articles of Incorporation	Shareholders
10:57 – 11:02 A.M.	Ratification of all acts of the Board of Directors during its 2022-2023 term	Shareholders
11:02 – 11:12 A.M.	Election of Directors for the 2023-2024 term	Dir. Rufino Luis T. Manotok
11:10 – 11:15 A.M.	Appointment of Independent Auditor for Fiscal Year 2023	Dir. B. Grant L. Cheng
11:16 – 11:29 A.M.	Other Matters	Chairman / Shareholders
11:30 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 Annual Stockholders Meeting of Cebu Landmasters, Inc. to be held on 01 June 2023.

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

I. Review and Approval of Previous Minutes

A. Review and Approval of the Minutes of the Annual Stockholders' Meeting on 07 June 2022

☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

II. New Business

A. CFO's Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

B. COO's Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

C. Chairman's Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

D. Approval of Audited Financial Statements as of December 31, 2022  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

E. Approval of the Amendment of the Articles of Incorporation  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

F. Ratification of all acts of the Board of Directors during its 2022-2023 term  
(The list of acts is available on the CLI website)  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

G. Election of Directors for the 2023-2024 term

Jose R. Soberano III  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Ma. Rosario B. Soberano  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Jose Franco B. Soberano  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Beauregard Grant L. Cheng  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Joanna Marie S. Bergundthal  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Rufino Luis T. Manotok  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Ma. Aurora D. Geotina-Garcia  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Atty. Ma. Jasmine S. Oporto  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Stephen A. Tan  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

H. Appointment of Independent Auditor for Fiscal Year 2023  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

III. Other Matters  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

IV. Adjournment  
☐ Yes ☐ No ☐ 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 2023.

**REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 25 MAY 2023 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE ANNUAL 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. Review and Approval of Previous Minutes

A. Review and Approval of the Minutes of the Annual Stockholders’ Meeting on 07 June 2022

☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

II. New Business

A. CFO’s Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

B. COO’s Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

C. Chairman’s Report  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

D. Approval of Audited Financial Statements as of December 31, 2022  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

E. Approval of the Amendment of the Articles of Incorporation  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

F. Ratification of all acts of the Board of Directors during its 2022-2023 term  
(The list of acts is available on the CLI website)  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

G. Election of Directors for the 2023-2024 term

Jose R. Soberano III  
☐ Yes ☐ No ☐ Abstain No. of Shares Voted: \_\_\_\_\_

Ma. Rosario B. Soberano  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Jose Franco B. Soberano  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Beauregard Grant L. Cheng  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Joanna Marie S. Bergundthal  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Rufino Luis T. Manotok  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Ma. Aurora D. Geotina-Garcia  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Atty. Ma. Jasmine S. Oporto  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

Stephen A. Tan  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

H. Appointment of Independent Auditor for Fiscal Year 2023  
☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

III. Other Matters

☐ Yes                                      ☐ No                      ☐ Abstain                      No. of Shares Voted: \_\_\_\_\_

IV. Adjournment

☐ Yes                                      ☐ No                      ☐ 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 2023.

**REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 25 MAY 2023 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE ANNUAL 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 <i>(indicate specific number or "ALL")</i>
<b>Review and Approval of Previous Minutes</b> <i>(Minutes of the Annual Stockholders' Meeting held on 07 June 2022)</i>	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
<b>New Business</b>		
A. CFO's Report	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
B. COO's Report	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
C. Chairman's Report	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
D. Approval of the Audited Financial Statements as of December 31, 2022	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
E. Approval of the Amendment of the Articles of Incorporation	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
F. Ratification of all acts of the Board of Directors during its 2022-2023 term <i>(The list of acts is available on the CLI Website)</i>	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
G. Election of Directors for the 2023-2024 Term		
• Jose R. Soberano III	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	
• Ma. Rosario B. Soberano	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> <div><input type="checkbox"/> Abstain</div>	



•	Jose Franco B. Soberano	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Beauregard Grant L. Cheng	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Joanna Marie S. Bergundthal	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Rufino Luis T. Manotok	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Ma. Aurora D. Geotina-Garcia	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Atty. Ma. Jasmine S. Oporto	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
•	Stephen A. Tan	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
H.	Appointment of Independent Auditor for Fiscal Year 2023	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
<b>Other Matters</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>
<b>Adjournment</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	<hr/>

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*Stockholder's signature*

## ANNEX “E”

### NOTICE OF MEETING

Dear CLI Stockholders,

You are hereby notified that **CEBU LANDMASTERS, INC. (“CLI”)** will hold its annual stockholders’ meeting on 01 June 2023 starting at 9:30 in the morning. In keeping with prevailing health protocols discouraging mass gatherings, the meeting will be held through a hybrid of remote, through teleconferencing and/or videoconferencing, and in-person in Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines.

If you intend to join, please ensure you remain a CLI stockholder as of 20 April 2023, 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 25 May 2023, 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/>

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](mailto: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](mailto:acfontanosa@syciplaw.com) or [corporate.secretary@cebulandmasters.com](mailto:corporate.secretary@cebulandmasters.com)

Phone: +6332 233.1211 to 13

## ANNEX “F”

### Management’s Discussion, Analysis and Plan of Operation

Cebu Landmasters, Inc. (“CLI” or the “Company”) is the leading real estate developer in Visayas and Mindanao currently located in 16 key cities.

In 2022, CLI continued to launch projects to strengthen its market leadership in Visayas and Mindanao. During the year, it unveiled more of its mid and premier series as the economy gradually reopened. Sixteen projects were successfully launched and substantially sold out driving up the Company's reservations sales, namely:

- a. Astra Corporate Center
- b. Casa Mira Dumaguete Ph2
- c. The East Village T1
- d. The East Village T2
- e. The East Village T3
- f. Velmiro Bohol Expansion Ph2
- g. Casa Mira South 4B.2
- h. The East Village T4
- i. Casa Mira Towers Palawan T2
- j. Casa Mira Towers Palawan T2
- k. Ramos Tower at Calle 104
- l. The Ranudo Tower at Calle 104
- m. Casa Mira Homes | Danao
- n. Costa Mira Bohol
- o. Casa Mira Towers Bacolod T3
- p. Casa Mira Towers Palawan T3

CLI recorded a 10% hike in reservation sales year-on-year to Php18.1 billion driven by a robust VisMin market. A high 76% of sales were from newly launched developments with the rest coming from persistent demand from its on-going projects.

The Company launched 4,690 units in 16 projects worth Php19.34 billion in 2022 and were 74% sold by the end of the year. Sales velocity of these launches hit peak levels with most developments fully taken up within days.

Cebu Landmasters Inc. (CLI) starts the year with strong reservation sales by selling out all three towers of the first residential development in Davao Global Township (DGT) in 4 days, generating a record Php4.068 billion in sales. This validates DGT as the most anticipated premier township in Davao.

The first among many launches in 2022, The East Village at DGT is the first residential development in the township with over 2,000 residential unit offerings spread across the 6-tower vertical village. The newly launched and sold-out three towers with a total of 1,087 units is scheduled for completion in Q3 2026.

Part of DGT's Phase 1 is the Php700 million lifestyle mall called the DGT City Center that will be a landmark destination presenting an array of retail, restaurant, and entertainment choices. It will feature dynamic, al fresco spaces and lush indoor gardens offering worry-free strolling and shopping. To complement this is the Php200 million DGT Cultural Center with showrooms, museum spaces, a theater, and function room which can hold up to 250 people.

In May 2022, CLI accelerated its expansion to Eastern Visayas with the launch of Casa Mira Homes Ormoc, a 685-unit subdivision project on a 9-hectare property. Casa Mira Homes Ormoc, to be completed in 2023, is the eleventh Casa Mira development in VisMin.

On June 20, 2022, CLI disclosed the approval of its Board of Directors of the offer and issuance of peso-denominated fixed rate bonds with a principal amount of up to Php5 billion and an oversubscription option of up to Php3 billion (the “Bonds”). The Bonds are part of the up to Php15 billion fixed rate bonds to be applied by the Company for shelf registration.

Cebu Landmasters will use the bonds to support its growth plans, primarily by investing into markets where CLI's initial foray has exceeded expectations and continuing its strategic land banking activities.

As part of the company's commitment to provide quality and sustainable in-city vertical socialized housing, CLI turned-over on June 29, 2022 the P115-million medium-rise building donated for the people of Cebu City. After less than 12 months of construction, 100 informal settler families now have a decent shelter. Walk-Up Sugbo 1 is a joint collaboration between Cebu Landmasters, Inc., the Cebu City Government and the Department of Human Settlements and Urban Development (DHSUD), and is designed to provide quality transition housing for informal settlers living in danger zones. It is the 1st of its kind of socialized housing development in VisMin, and is one of the most generously-appointed socialized housing buildings in the country.

At the same time, CLI together with the Mandaue City Government and DHSUD signed an agreement and broke ground on the P100 million Tipolo Residences Building 4, a mid-rise socialized housing for the informal settlers and 2019 fire victims of Barangay Tipolo. 90 identified beneficiaries joined the momentous occasion and shared their excitement for their future homes.

On July 19, 2022, Philippine Rating Services Corporation (PhilRatings) assigned an Issue Credit Rating of PRS Aa plus, with a Stable Outlook, for CLI's proposed bond issuance of Php5.0 billion, with an oversubscription option of up to Php3.0 billion. This is the initial tranche of the Company's new three-year Shelf Registration program amounting to Php15.0 billion.

PhilRatings also upgraded the Issue Credit Rating for CLI's outstanding Series A to C Corporate Notes worth ₱5.0 billion to PRS Aa plus, with a Stable Outlook, from PRS Aa.

On July 23, 2022, Davao Global Township was formally inaugurated, completing site development in just 2 years. After only two years of site development, YHEST Realty Development Corp., a joint venture between CLI and the Yuson, Huang and Tan families of the prominent Villa-Abrile clan of Davao, officially inaugurated the 23-hectare Davao Global Township (DGT) envisioned to be Mindanao's most sustainable central business district. It also started to offer 27 township commercial lots for sale after completing the utilities and road networks of the property. The commercial lots for sale have a total area of 47,194 square meters and lot sizes range from 1,054 square meters to 3,446 square meters.

Davao Global Township Phase 1 includes the township's first residential development The East Village at DGT, a commercial area and lifestyle mall DGT City Center (opening early 2024), and DGT Cultural Center (opening 2024).

In August 2022, CLI purchased a 17-hectare expansion site in Butuan City. Where its most recent acquisition brought up its total landbank to 116 has.

In September 2022, CLI sold out Calle 104, a two-tower upscale residential project in record 3 days. The sales of the Php2.4 billion for Calle 104, which straddles Ramos and Ranudo Streets is a popular address of prominent families in Cebu. The high-end project in Cebu is CLI's eighth launch in 2022 across VisMin. Calle 104 is a joint venture project of CLI and Borromeo Brothers Estate, Inc. under Cebu BL-Ramos Ventures Inc. The upscale mixed-use development designed by Casas + Architects to be completed in Q4 2026 has two distinct towers connected by a retail podium with a gross floor area of 5,000 sqm. of lifestyle options including restaurants, clothing, and essentials. A 2,300 sqm. supermarket is located in the basement for the convenience of residents.

On September 22, 2022, CLI finalized the issue size of its maiden Fixed Rate Bond ("Bonds") offering, with an aggregate principal amount of Five Billion Pesos (Php5,000,000,000.00) across 3 tenors. This initial issuance is the first from CLI's shelf registration of Php15 billion debt securities program to be utilized within three years. In a strong show of confidence in CLI, the Company's maiden retail bonds received strong demand from both institutional and retail investors, even as CLI price at the lowest end of the initial spread range. Interest rates have been set for the 3.5Y Series A at 6.4222%, for the 5.5Y Series B at 6.9884%, and for the 7Y Series C at 7.3649%. CLI received its Permit to Sell from the SEC for its maiden Php5bn retail bond Issuance on September 27, 2022.

On September 29, 2022, CLI disclosed that in its first foray in Palawan, it sold in less than 1 week 85% of the first phase of an economic housing project in Puerto Princesa. Projected gross revenues from this seven-tower development is pegged at Php6 billion, with phase one set for completion in Q4 2025. The first venture in Palawan was a success. It showed that there is indeed a broader market for the bestselling housing brand Casa Mira beyond VisMin, and that the Company is gaining traction in new areas of expansion.

On October 7, 2022, CLI successfully listed its first fixed-rate bond offering worth Php5 billion at the Philippine Dealing and Exchange Corporation. BPI Capital Corporation and China Bank Capital Corporation have been appointed as joint issue managers, joint lead underwriters and joint bookrunners. PNB Capital and Investment Corporation, RCBC Capital Corporation and SB Capital Investment Corporation are co-lead underwriters.

Cebu Landmasters Inc. (CLI) dominated the 10th PropertyGuru Philippines Property Awards bagging 12 accolades including the Best Developer (Visayas) and Best Developer (Mindanao) awards presented in an exclusive gala event. CLI was also given Special Recognition in ESG and in Sustainable Design and Construction.

List of Winners:

- Abaca Resort Mactan, Best Resort Development
- Costa Mira Beachtown Mactan, Best Waterfront Condo Development
- The East Village, Best Condo Development (Mindanao) and Best Condo Architectural Design
- Sofitel Cebu City, Best Hotel Architectural Design
- Terranza Residences, Best Condo Development (Visayas)

Highly recommended:

- Astra Centre, Best Mixed-Use Development
- Sofitel Cebu City, Best Hotel Development

On October 28, 2022, CLI introduced a new immersive mountain resort in Balamban, Cebu. CLI further expands its growing leisure and hospitality portfolio with the 21-hectare MagsPeak Mountain Resort and Villas. The 21-hectare mountain estate in Magsaysay Peak in Balamban, Cebu, with an elevation of 800 meters is a joint venture between CLI and MagsPeak Nature Park Inc. composed of Cebuano businessmen and fellow Caminoans, Bob Gothong, Segundino Selma Jr., Richard Ray King, and Douglas Gacasan. It is designed to create a holistic mountain experience for Cebu with an outdoor, religious, and hospitality component, built with sustainability at its core. MagsPeak offers a unique hospitality experience managed by CLI's Hospitality arm, CLI Hotels & Resorts. Opening in 2025, the resort comprises 13 exclusive mountain villas and 20 hotel rooms highlighting views of the Balamban mountain landscape and the western Cebu seascape. Guest stays will further be enhanced with a clubhouse, heated infinity pools, and a farm-to-table restaurant. With sustainability integral to its development, MagsPeak showcases eco-friendly initiatives and outdoor programs such as hiking trails, camping facilities, and other child-friendly activities surrounded by nature.

With the Company's stellar performance and proven execution capability to adapt to the new normal surpassing pre-pandemic growth and income levels, the Board deemed it fit to declare a regular and special cash dividend of ₱0.15 and ₱0.03 per share on March 20, 2023 with a total estimated amount of ₱623 million, a 21% increase from the ₱520 million paid to stockholders last year. The recently declared dividends have a record date of April 18, 2023 and will be paid on April 28, 2023.

**Review on the Company's Results of Operation**

**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 Q4 2021 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 2<sup>nd</sup> 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, 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 amount 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 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 to 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 increase 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 FY2022**

**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 amount to ₱13.5 billion.

**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:

	2022	2021	2020	2019	2018
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real estate revenue contribution from projects newly launched during the period.

#### **Leasing**

Rental revenue stands at ₱21 million, a 22% y-o-y increase from ₱18 million, due to a combination of lease rate increases and revenue contribution from newly completed projects such as Latitude Corporate Center and Baseline HQ.

#### **Hotel operations**

Citadines Cebu City, posted ₱29 million revenue, from ₱16 million of the same period last year, a 79% growth due to a boost in domestic leisure and business travel as the economy reopens from pandemic restrictions.

#### **Management Fee**

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 ₱X Million. On the other hand, property management fees increased by 27% to ₱15 million, from ₱12 million in the same period last year, reflecting an increase in managed projects by the property arm.

### **COST AND EXPENSES**

#### **Cost of sales and services**

In line with the growth in revenue performance, the company's cost of sales for the nine months ending March 31 2023, was reported at ₱2.64 billion, a 37% year-over-year increase from ₱1.93 billion.

#### **Operating Expenses**

Total operating expenses during the period amounted to ₱624 million, a 17% y-o-y increase from ₱523 million of the same period in 2022. The increase was mainly driven by commissions and incentives which grew by 30% to ₱260 million in line with the increase in revenue from real estate sales and robust sales performance during the quarter.

The company carefully balanced its debt mix of 66% fixed and 34% floating rates. Due to this, CLI is able to maintain its competitive rate of 6.034% 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 March 31, 2022, NIAT attributable to NCI increased substantially to ₱284 million from ₱10 million in Q1 2022. This growth is due to increasing contributions from new joint venture projects such as Terranza Residences in Iloilo, (GGTT) and Mandtra Residences in Cebu (CHDI), The East Village T1-T4 (YHEST) in Davao and Calle 104 T1-T2 (BL RAMOS) in Cebu.

**REVIEW ON THE COMPANY’S FINANCIAL CONDITION**  
**As of March 31, 2023, vs December 31, 2022**

CLI’s balance sheet remains strong and healthy to support construction and expansion plans. As of March 31, 2023, CLI reported total assets of ₱89.68 billion, an increase of 5% from ₱85.04 billion as of December 31, 2022 driven by increase in contract assets and real estate inventories.

**ASSETS**

*28% decrease in Cash and Cash equivalents*

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

*12% decrease in Receivables (including non-current portion)*

Declined from ₱3.68 billion to ₱3.23 billion due to collections from completed projects.

*12% increase in Contract assets (including non-current portion)*

Increase to ₱35.82 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.

*7% increase in Real Estate Inventory*

from ₱18.31 billion to ₱19.62 billion due to new land acquisitions and higher construction progress of the company's projects.

*119% increase in Deposit on land for future development*

to ₱284 million from ₱130 million mainly due to the recent purchase of a property in Butuan for a residential development.

*18% increase in Due from related parties*

from ₱35.80 million to ₱42.34 million due to transactions paid by CLI (Parent) on behalf of its related parties.

*5% increase in Prepayments and other current assets*

from ₱4.96 billion to ₱5.24 billion due to downpayments made to contractors on newly awarded projects.

*15% increase in Property and Equipment*

from ₱4.81 billion to ₱5.53 billion due to the construction of new offices and branches to support CLI’s expanding developments.

*1% decrease in Right of use asset*

from ₱1.17 billion to ₱1.16 billion due to amortization of high-value leasehold rights

*5% decrease in Investment Properties*

from ₱16.91 billion to ₱17.75 billion attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort, Astra Corporate Center and Davao Global Township.

*5% increase in non-current assets*

from ₱648.82 million to ₱678.86 million due to significant advances to contractors classified as non-current and increased in refundable deposits.

**LIABILITIES**

*5% increase in Interest-bearing loans and borrowings (including non-current portion)*

from ₱40 billion to ₱41.94 billion due to new availments from project term loans.

*7% Increase in Trade Payables (including non-current portion)*

from ₱19.04 billion to ₱20.30 billion due to accruals made on unbilled costs to match with revenue recognized.



*1% increase in Contract Liabilities*  
from ₱718.61 million to ₱722.77 million due to an increase in collections from buyers coming from new project launches that are ahead of the stage of completion.

*598% increase in Income Tax Payable*  
from ₱3.65 million to ₱25.45 million due to the accrual of income tax due for the period.

*8% Deferred tax liabilities - net*  
from ₱3.03 billion to ₱3.28 billion due to additional recognized tax liability on taxable temporary differences.

**EQUITY**

*7% increase in Parent Company’s Retained Earnings*  
Due to the Net income recognized during the period.

**KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS- for Q1 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 amount to ₱13.5 billion.

**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 Cebu Landmasters Inc. (CLI or 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 efficiency, cost control and profitability across all its operations. Management considers the following as KPIs:

	YTD March 31, 2023	YTD March 31, 2022
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Gross Profit Margin <sup>1</sup>	45%	46%
Net Income Margin <sup>2</sup>	25%	23%
EBITDA <sup>3</sup>	₱1.93 billion	₱1.34 billion
EBITDA Margin <sup>4</sup>	40%	37%
Interest Coverage Ratio <sup>5</sup>	3.89	5.81
	<b>YTD March 31, 2023</b>	<b>YTD December 31, 2022</b>
Return on Assets <sup>6</sup>	5%	5%
Return on Equity (Parent) <sup>7</sup>	26%	26%
Current Ratio <sup>8</sup>	1.56	1.61
Net Debt to Equity Ratio <sup>9</sup>	1.84	1.84
Debt to Equity Ratio <sup>10</sup>	1.89	1.90

<sup>1</sup> Gross Profit Margin is gross profit as a percentage of revenues

<sup>2</sup> Net Income Margin is net income as a percentage of revenues

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

<sup>4</sup> EBITDA margin is EBITDA as a percentage of revenues

<sup>5</sup> Interest Coverage ratio is 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

<sup>6</sup> 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.

<sup>7</sup> 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.

<sup>8</sup> Current Ratio is current assets divided by current liabilities

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

<sup>10</sup> Debt to Equity Ratio is interest bearing debt over total equity

The Company’s gross profit margin is dependent on the mix of revenue during the period. During the first quarter of 2023, 34% of the Company’s topline was attributable to premier projects which had a higher Gross Profit Margin of 78% compared to the other segments. Additionally, recurring projects showed a remarkable revenue recovery, these projects have Gross Profit Margins with over 50% to 60%. Meanwhile, Net Income Margin remains healthy at 25%.

Cebu Landmasters continue to implement cost efficiency measures that enabled the company to post stable and healthy margins despite the challenging market environment.

For the period ended March 31, 2023, all other ratios remain healthy with Return on Assets at 5% and Return on Equity (Parent) at 26%. Net Debt to Equity ratio remains stable at 1.84x to finance new project launches. The Company’s current ratio projects ample liquidity at 1.56x.

Management together with key officers continue to effectively handle their respective operations and financial requirements despite the high-inflation environment. 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 December 31, 2022 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 25 HEREOF.**