

PRELIMINARY PROSPECTUS



CEBU LANDMASTERS, INC.

(A corporation organized and existing under Philippine laws)

Shelf Registration in the Philippines of Fixed Rate Bonds in the aggregate principal amount of up to ₱15,000,000,000

to be offered within a period of three years
at an Issue Price of 100% of Face Value

The Bonds shall be listed and traded through the
Philippine Dealing & Exchange Corp.

This Preliminary Prospectus is dated as of June 27, 2022.

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED
THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE
OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A
CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE
SECURITIES AND EXCHANGE COMMISSION.**

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Philippines

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Cebu Landmasters, Inc. ("**CLI**", the "**Issuer**", or "**Company**") filed a registration statement (the "**Registration Statement**") with the Securities and Exchange Commission of the Philippines (the "**SEC**") for the shelf registration of Philippine Peso-denominated fixed rate bonds with an aggregate principal amount of up to ₱15,000,000,000.00 (the "**Bonds**") under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799) ("**SRC**") and its implementing regulations ("**SRC Rules**") (the "**Debt Securities Program**").

The Bonds under the Debt Securities Program will be offered and issued in tranches (each such tranche, an "**Offer**") within a period of three years from the effectivity of the Registration Statement, subject to applicable regulations (the "**Shelf Period**"). The Bonds to be sold in respect of each Offer may be issued in one or more series. The terms and conditions of each Offer and the Bonds in respect of the relevant Offer shall be at the sole discretion of the Issuer. The specific terms of the Bonds and the relevant Offer will be determined by the Issuer considering its requirements and the prevailing market conditions and shall be provided in an Offer Supplement (as such term is defined under the section "*Glossary of Terms*" of this Prospectus) to be circulated at the time of the relevant Offer. Hence, the terms and conditions of each Offer and the Bonds to be sold in respect of such Offer may vary from the other Offers and the other Bonds issued or to be issued under the Debt Securities Program.

This Preliminary Prospectus (including all amendments, supplements, and addenda thereto, the "**Prospectus**", and, as the context may require, the term includes the relevant Offer Supplement) relates to the shelf registration of the Bonds, and each Offer of the Bonds within the Shelf Period. For each Offer of the Bonds, the Issuer shall distribute an Offer Supplement containing the terms of the Offer and the Bonds to be issued in respect of such Offer, along with this Prospectus (as the same may be updated at the time of the relevant Offer). The Prospectus and the relevant Offer Supplement must be read in conjunction with each other. In the event of any inconsistency between this Prospectus and the Offer Supplement, the more specific information provided between the two shall prevail. All information contained in this Prospectus are deemed incorporated by reference in an Offer Supplement. Full information on the Issuer, on the relevant Offer and the Bonds in respect of such Offer is available through this Prospectus, the relevant Offer Supplement, and the other transaction documents. Moreover, as a listed company, the Issuer regularly disseminates updates and information in its disclosures to the SEC and The Philippine Stock Exchange, Inc. ("**PSE**").

The Bonds will be offered to the public through underwriters that may be engaged by the Issuer for each Offer (the "**Underwriters**"). The Underwriters may appoint other underwriters (such as sub-underwriters) and selling agents to assist in the sale and distribution of the Bonds to the public. Any of the Underwriters, the other underwriters and the selling agents may acquire for their own account a portion of the Bonds.

The Issuer reserves the right to withdraw the offer and sale of the Bonds at any time, and as a general rule, an Underwriter reserves the right to reject any application to purchase the Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of the Bonds sought by such purchaser. If an Offer is withdrawn or discontinued, the Issuer shall subsequently notify the SEC and, as applicable, the PDEx.

The SEC is expected to issue an order rendering the Registration Statement effective. Before each Offer, the Issuer shall apply with the SEC for the issuance of a permit to offer the relevant Bonds, which permit shall be issued provided that the Issuer is able to comply with all the requirements under the SRC and the SRC Rules and of the SEC, including without limitation providing any applicable updates on this Prospectus.

The Issuer will apply for the listing of the Bonds in the Philippine Dealing & Exchange Corp. (“**PDEX**”). However, there is no assurance that such a listing will actually be achieved either before or after the relevant issue date of the Bonds or whether such a listing will materially affect the liquidity of the Bonds on the secondary market. Such listing will be subject to the Issuer’s execution of a listing agreement with PDEX that may require the Issuer to make certain disclosures, undertakings and payments on an ongoing basis.

It is expected that the Bonds will be delivered in book-entry form against payment thereof to the Philippine Depository & Trust Corp. (“**PDTC**”), which will be appointed as the registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Registry of Bondholders.

The Issuer will likewise appoint, in respect of each tranche of the Bonds, a financial institution having the necessary license who will discharge the obligations of a Trustee under the Trust Agreement to be executed between the Issuer and such Trustee.

The Issuer and its Subsidiaries (as such term is defined under the section “*Glossary of Terms*” of this Prospectus) are allowed under Philippine laws to declare dividends, subject to certain requirements. These requirements include, for example, that the Board of Directors is authorized to declare dividends only from its unrestricted retained earnings. Dividends may be payable in cash, shares or property, or a combination of the three, as the Board of Directors of the Issuer shall determine. A cash dividend declaration does not require any further approval from stockholders. The declaration of stock dividends is subject to the approval of shareholders holding at least 2/3 of the outstanding capital stock of the Issuer. The Board of Directors may not declare dividends which will impair its capital. The Issuer and its Subsidiaries declare dividends as determined by the Board, taking into consideration factors such as the implementation of business plans, debt service requirements, operating expenses, budgets, funding for new investments and acquisitions and appropriate reserves and working capital.

The Bonds will be registered and offered exclusively in the Philippines. The distribution of this Prospectus and the relevant Offer Supplement and the offer and sale of the Bonds may, in certain jurisdictions, be restricted by law. The Issuer and the Underwriters require persons into whose possession this Prospectus or the relevant Offer Supplement comes, to inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. This Prospectus and the relevant Offer Supplement do not constitute an offer of any securities, or any offer to sell, or a solicitation of an offer to buy any securities of the Issuer in any jurisdiction, to or from any person whom it is unlawful to make such offer in such jurisdiction. Unless otherwise stated, the information contained in the Prospectus and the relevant Offer Supplement has been supplied by the Issuer.

The Issuer (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in the Prospectus and the relevant Offer Supplement, which in the context of the issue and offering of the Bonds, is material (including all information required by the Applicable Laws in the Philippines), is correct, and that there is no material misstatement or omission of fact which would make any statement in the Prospectus and the relevant Offer Supplement misleading in any material respect. The Underwriters have exercised reasonable due diligence required by regulations in ascertaining that all material representations contained in the Prospectus and the relevant Offer Supplement are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

No representation or warranty, express or implied, is made or given, or is to be made or to be given, by the Underwriters, the Trustee or the Registrar and Paying Agent (as such terms are respectively defined below) or their respective affiliates or legal advisers as to the accuracy, completeness or sufficiency of the information contained in this Prospectus and the relevant Offer Supplement, and nothing contained in this Prospectus and the relevant Offer Supplement is, or shall be relied upon as, a promise, representation or warranty by the Underwriters, the Trustee, the Registrar and Paying Agent or their respective affiliates or legal advisers.

No person or group of persons has been authorized by the Issuer and the Underwriters to give any information or to make any representation concerning the Bonds other than as contained in this

Prospectus and the relevant Offer Supplement. If given or made, any such information or representation must not be relied upon as having been authorized by the Issuer or any of the Underwriters.

All information in the Prospectus and the relevant Offer Supplement is as of the date thereof, unless otherwise indicated. Neither the delivery of this Prospectus or the relevant Offer Supplement nor any sale made pursuant to this Prospectus or the relevant Offer Supplement shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Issuer and its Subsidiaries since such date. Any reproduction or distribution of this Prospectus and the relevant Offer Supplement, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer is prohibited.

Figures in this Prospectus and the relevant Offer Supplement have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

The Company's financial statements are reported in Pesos and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("**PFRS**") issued by the Financial Reporting Standard Council of the Philippines. PFRS include statements named PFRS, Philippine Accounting Standards, and Philippine Interpretations of International Financial Reporting Interpretations Committee issued by the Financial Reporting Standards Council.

Market data and certain industry forecasts used throughout this Prospectus and, as applicable, the relevant Offer Supplement were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Issuer nor any of the Underwriters makes any representation as to the accuracy or completeness of such information.

Certain agreements are referred to in this Prospectus and the relevant Offer Supplement in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

The price of securities, such as the Bonds, can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. Hence, there is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities, such as the Bonds. An investment in the Bonds described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider several risk factors relating to the Issuer's business and operations, risks relating to the Philippines and risks relating to the Bonds, as set out in the section "*Risk Factors and Other Considerations*" found on page 25 of this Prospectus, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Bonds. Moreover, in relation to the Bonds which are applied for shelf registration, there can be no assurance in respect of: (i) whether the Issuer would issue such debt securities at all; (ii) the size or timing of any individual issuance or the total issuance of such debt securities; or (iii) the specific terms and conditions of any such issuance. Any decision by the Issuer to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within the control of the Issuer, including but not limited to, prevailing interest rates, the financing requirements of the business and prospects of the Issuer, market liquidity and the state of the domestic capital market, and the Philippine, regional, and global economies in general.

The risk disclosure discussion does not purport to be an exhaustive enumeration of, and does not purport to disclose, all the risks and other significant aspects of investing in the Bonds. A person contemplating an investment in the Bonds should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities.

No representation or warranty, express or implied, is made by the Issuer and the Underwriters, regarding the legality of an investment in the Bonds under any legal, investment, or similar laws or

regulations. This Prospectus is not an investment, legal, or tax advice. Prospective investors should consult their own counsel, accountant, and other advisors as to legal, tax, business, financial, and related aspects of a purchase of the Bonds. In making any investment decision regarding the Bonds, prospective investors must rely on their own examination of the Issuer and the terms of the Offer, including the merits and risks involved. This Prospectus and the relevant Offer Supplement are not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Underwriters, the Trustee, the Registrar and Paying Agent or their respective affiliates or legal advisers that any recipient of this Prospectus or the relevant Offer Supplement should purchase the Bonds.

Each prospective purchaser of the Bonds, by accepting delivery of this Prospectus and the relevant Offer Supplement, agrees to the foregoing.

The Issuer is organized under the laws of the Philippines. Its principal office is at 10th Floor, Park Centrale Tower, Jose Ma. Del Mar St., B2 L3, Cebu IT Park, Brgy. Apas, Cebu City, Philippines with telephone numbers +63 32 231-4870 and +63 32 254-1254.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE ISSUE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS AND THE RELEVANT OFFER SUPPLEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY.

[Signature page follows.]

CEBU LANDMASTERS, INC.

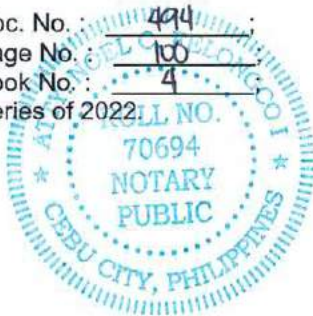
By:


JOSE R. SOBERANO III
Chairman, President and Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
CITY OF Cebu City) s.s

SUBSCRIBED AND SWORN to before me this 27 JUN 2022, affiant exhibiting to me his Philippine Passport with No. P6678430B valid until 20 April 2031, as competent evidence of identity.

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ATTY. NOEL C. FELONGCO I
Notary Public
Notarial Commission No. 100-18, Cebu City
Until December 31, 2021 (Extended until 30 June 2022
pursuant to B.M. 3796)
Roll of Attorneys No. 70694
MCLE Compliance No. VI-0029258, issued on 11-8-2019
PTR No. 895827, 12-10-21; Cebu
IDP No. AR 70694, 12-12-21; Cebu City
Unit 409, Keppel Center, Cebu Business Park,
Cardinal Rosales Ave., Cebu City

FORWARD LOOKING STATEMENTS

This Prospectus and the relevant Offer Supplement contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's or the Group's actual results, performance or achievements to be materially different from expected future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's or the Group's present and future business strategies and the environment in which the Company or the Group will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's or the Group's ability to successfully manage its activities;
- the Company's or the Group's ability to successfully implement its current and future strategies, the Company's or the Group's ability to anticipate and respond to consumer trends;
- the Company's or the Group's ability to develop products and provide services without delays due to regulatory or other causes;
- the Company's or the Group's ability to successfully manage its future business, financial condition, results of operations, and cash flow;
- general political, social, and economic conditions and changes in the Philippines;
- any future political instability in the Philippines;
- changes in interest rates, inflation rates, and the value of the Peso against the U.S. dollar and other currencies;
- increases in inventory, maintenance and rental costs;
- continued availability of capital and financing at acceptable cost;
- changes in the laws, including tax laws, regulations, policies and licenses applicable to or affecting the Company or the Group;
- legal or regulatory proceedings in which the Company or the Group is or may become involved;
- uncontrollable events, such as war, civil unrest or acts of international or domestic terrorism, the outbreak of contagious diseases, accidents and natural disasters; and,
- competition in the real estate industry in the Philippines.

Additional factors that could cause the Company's or the Group's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under the section "*Risk Factors and Other Considerations*" and elsewhere in this Prospectus and the relevant Offer Supplement. These forward-looking statements speak only as of the date of this Prospectus and the relevant Offer Supplement. The Company and the Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's or the Group's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus and the relevant Offer Supplement include statements regarding the Company's or the Group's expectations and projections for future operating performance and business prospects. The words "believe," "plan," "expect," "anticipate," "estimate," "project," "intend," "seek," "target," "aim," "may," "might," "will," "would," "could," "shall," "should", and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus and the relevant Offer Supplement are forward-looking statements. Statements in this Prospectus and the relevant Offer Supplement as to the opinions, beliefs and intentions of the Company accurately reflect in all material respects the opinions, beliefs and intentions of its management as to such matters as of the date of this Prospectus and the relevant Offer Supplement, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section "*Risk Factors and Other Considerations*" and elsewhere (including the relevant Offer Supplement, as applicable), important factors that could

cause actual results to differ materially from the Company's or the Group's expectations. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the above cautionary statements.

Should one or more of such risks and uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this Prospectus and the relevant Offer Supplement speaks only as of the date the statement was made.

All of the forward-looking statements of the Company made herein and elsewhere are qualified in their entirety by the risk factors discussed in the section "*Risk Factors and Other Considerations*". These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement in this Prospectus and the relevant Offer Supplement.

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GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below:

“2018 AMLA IRR”	2018 Implementing Rules and Regulations of the AMLA.
“ABS”	AB Soberano Holdings Corp.
“AMLA”	Anti-Money Laundering Act of 2001 (Republic Act No. 9160), as amended.
“AMLC”	Anti-Money Laundering Council of the Philippines.
“ASF”	A.S. Fortuna Property Ventures, Inc.
“AY”	Academic Year.
“Bayanihan 2”	Bayanihan to Recover as One Act (Republic Act No. 11494).
“BCDA”	Bases Conversion Development Authority of the Philippines.
“BCI”	Building and Construction Industry.
“BERDE”	Building for Ecologically Responsive Design Excellence.
“BIMI”	BPI Investment Management, Inc.
“BIR”	Bureau of Internal Revenue of the Philippines.
“BL Ventures”	BL CBP Ventures, Inc.
“Board of Directors” or “Board” or “Directors”	The Board of Directors of CLI.
“BOI”	Board of Investments of the Philippines.
“BPO”	Business processing outsourcing.
“BP 220”	An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from Those Provided under Presidential Decree Nos. 957, 1216, 1096, and 1185 (Batas Pambansa Bilang 220).
“BP 220 IRR”	Implementing Rules and Regulations of BP 220.
“Bondholder”	A Person whose name appears, at any time, as a holder of the Bonds in the registry book maintained by the registrar for the Bonds.
“Bonds”	For purposes of this Prospectus, the Philippine Peso-denominated fixed rate bonds to be issued by the Issuer under the Debt Securities Program in one or more tranches during the Shelf Period.
“BP”	Batas Pambansa.
“Building Code”	National Building Code of the Philippines (Presidential Decree No. 1096).

“Business Day”	A day, other than Saturday, Sunday, or legal holiday, on which the facilities of the Philippine banking system are open and available for clearing, and banks are open for business in Makati City, Metro Manila, Philippines.
“CBLRV”	Cebu BL-Ramos Ventures, Inc.
“CDO”	Cagayan de Oro.
“CEO”	Chief Executive Officer.
“CFA”	Chartered Financial Analyst.
“CFO”	Chief Financial Officer.
“CHDI”	Cebu Homegrown Developers, Inc.
“CIAC”	Construction Industry Arbitration Commission of the Philippines.
“CCLI”	CCLI Premier Hotels, Inc.
“CLI” or the “Company”	Cebu Landmasters, Inc. and, as the context may require, its Subsidiaries.
“CLI-LITE”	CLI-LITE Panglao Inc.
“CLPM”	Cebu Landmasters Property Management, Inc.
“CNC”	Certificate of Non-Coverage.
“CPH”	CLI Premier Hotels Int’l. Inc.
“Civil Code”	Civil Code of the Philippines (Republic Act No. 386).
“COO”	Chief Operating Officer.
“COVID-19”	2019 Novel Coronavirus Acute Respiratory Disease, which was later renamed as Coronavirus Disease 2019.
“CREATE Act”	Corporate Recovery and Tax Incentives for Enterprises (Republic Act No. 11534).
“CSR”	Corporate Social Responsibility.
“Current Ratio”	Current assets divided by current liabilities.
“DAR”	Department of Agrarian Reform of the Philippines.
“Debt Securities Program”	Shelf registration with the SEC of Philippine Peso-denominated fixed rate bonds with an aggregate principal amount of up to ₱15,000,000,000 under the provisions of the SRC and the SRC Rules.
“DENR”	Department of Environment and Natural Resources of the Philippines.
“DHSUD”	Department of Human Settlements and Urban Development of the Philippines.
“D.O. 2020-010”	Department Order No. 2020-010, Series of 2020 issued by the DHSUD.

“D.O. 2021-009”	Department Order No. 2021-009, Series of 2021 issued by the DHSUD.
“EBITDA”	Earnings before interest, tax, depreciation, and amortization from continuing operations and before exceptional items.
“EBITDA Margin”	EBITDA as a percentage of revenues.
“ECC”	Environmental Compliance Certificate.
“EGF”	Environmental Guarantee Fund.
“EIS”	Environmental Impact Statement.
“El Camino”	El Camino Developers Cebu, Inc.
“EMB”	Environmental Management Bureau of the Philippines.
“EMF”	Environmental Monitoring Fund.
“EPS”	Earnings Per Share
“ESG”	Environmental, Social and Governance.
“ESOP”	Executive Stock Option Plan
“Foundation”	Cebu Landmasters Foundation, Inc.
“FY”	Fiscal year.
“GFA”	Gross floor area.
“GGTT”	GGTT Realty Corporation.
“GLA”	Gross leasable area.
“Government”	National and local government of the Republic of the Philippines, including any of its departments, agencies, or other instrumentalities.
“Gross Profit Margin”	Gross profit as a percentage of revenues.
“Group”	CLI and its Subsidiaries.
“ha”	Hectare.
“Habitat”	Habitat for Humanity.
“HACC”	Homeowners’ associations and condominium corporations.
“HLURB”	Housing and Land Use Regulatory Board of the Philippines.
“HLURB 2015 Guidelines”	HLURB Memorandum Circular No. 03, Series of 2016 (2015 Guidelines on Time Completion).
“HSAC”	Human Settlements Adjudication Commission of the Philippines.
“HUDCC”	Housing and Urban Development Coordinating Council of the Philippines.

“ICOM”	Icom Air Corporation.
“IEE”	Initial Environmental Examination.
“Interest Coverage Ratio”	EBITDA divided by interest paid from loans.
“IOPHL”	Intellectual Property Office of the Philippines.
“IPP”	Investment Priorities Plan.
“IRR”	Implementing rules and regulations.
“Issuer”	Cebu Landmasters, Inc.
“JV”	Joint venture.
“KPI”	Key performance indicators
“Leed”	Leadership in Energy and Environmental Design.
“LGU”	Local government unit.
“Manual”	Manual on Corporate Governance.
“Magspeak”	Magspeak Nature Park, Inc.
“MBA”	Master of Business Administration.
“MCIT”	Minimum corporate income tax.
“MGR”	Mivesa Garden Residences, Inc.
“MMDC”	Ming-Mori Development Corporation.
“MOA”	Memorandum of Agreement.
“Mw”	Moment Magnitude.
“Net Debt to Equity Ratio”	Interest bearing debt less cash and cash equivalents divided by total equity.
“Net Income Margin”	Consolidated net income as a percentage of revenues.
“NCI”	Non-controlling interest
“NIAT”	Net Income After Taxes
“OCT”	Original certificate of title.
“OFW”	Overseas Filipino Worker.
“Offer”	The public offer for sale, distribution, and issuance of the Bonds by the Issuer to eligible investors.
“Offer Supplement”	The offer supplement to and which is issued along with this Prospectus setting out the terms and conditions of a particular Offer of Bonds.

“Paying Agent”	The Person who may be appointed in such capacity in respect of a particular Offer whose principal obligation is to handle payments of the principal of, interest on, and all other amounts payable on, the Bonds, to the Bondholders, and identified as such in the relevant Offer Supplement. The term includes, wherever the context permits, all other Person or Persons for the time being acting as paying agent or paying agents under the relevant registry and paying agency agreement or other relevant agreement.
“P&A”	Punongbayan & Araullo (P&A Grant Thornton)
“PCA”	Philippine Competition Act (Republic Act No. 10667).
“PCAB”	Philippine Contractors Accreditation Board of the Philippines.
“PCC”	Philippine Competition Commission of the Philippines.
“PD 957”	Presidential Decree No. 957 (Subdivision and Condominium Buyers’ Protective Decree, as amended).
“PDEx”	Philippine Dealing & Exchange Corp.
“PDTC”	Philippine Depository & Trust Corp., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office (as of the date of this Prospectus) at the 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.
“Person”	Any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization.
“PFRS”	Philippine Financial Reporting Standards.
“Philippine Peso” or “Peso” or “₱”	Lawful currency of the Philippines.
“Philippines”	Republic of the Philippines.
“POC”	Percentage of completion.
“PRA”	Philippine Reclamation Authority.
“Prospectus”	The Prospectus dated June 27, 2022 prepared and issued by the Issuer in connection with the Debt Securities Program, including all amendments, supplements, and addenda thereto. As the context may require, the term includes the relevant Offer Supplement, as may be amended from time to time.
“PSE”	Philippine Stock Exchange, Inc.
“Q1”, “Q2”, “Q3”, and “Q4”	Respectively, first calendar quarter, second calendar quarter, third calendar quarter and fourth calendar quarter.
“q-o-q”	Quarter on quarter.
“R&D”	Research and development.
“RAFI”	Ramon Aboitiz Foundation, Inc.

“REBs”	Real estate brokers.
“REDS”	Real estate developers.
“Return on Assets”	Net income as a percentage of assets.
“Return on Average Equity”	Net income as a percentage of equity.
“RPT”	Related Party Transaction.
“Register of Bondholders”	The electronic registry book of the Registrar containing the official information on the names and addresses of the Bondholders and the amount of the Bonds they respectively hold, including all transfers and assignments thereof or any liens or encumbrances thereon, to be maintained by the Registrar pursuant to and under the terms of the relevant registry and paying agency agreement or other relevant agreement.
“Registrar”	The Person who may be appointed in such capacity in respect of a particular Offer whose principal obligation is to register Bondholders and their interests in the Bonds and identified as such in the relevant Offer Supplement. The term includes, wherever the context permits, all other Person or Persons for the time being acting as registrar or registrars under the relevant registry and paying agency agreement or other relevant agreement.
“Registration Statement”	The registration statement and other supporting documents filed by the Issuer with the SEC in connection with the offer and sale to the public of the Bonds and which is expected to be rendered effective by the SEC.
“Revised Corporation Code”	Revised Corporation Code of the Philippines (Republic Act No. 11232)
“RPT”	Related party transaction.
“SDG”	Sustainable Development Goals.
“SEC”	Securities and Exchange Commission of the Philippines.
“SGV & Co.”	SyCip Gorres Velayo & Co.
“SHDA-CV”	Subdivision and Housing Developers Association – Central Visayas Chapter.
“Shelf Period”	Period of three years from the effectivity of the Registration Statement, within which the Bonds may be offered and issued, subject to applicable regulations.
“SJMV”	San Jose Maria Villages.
“sq.m.”	Square meters.
“SKF”	Santos Knight Frank.
“SPE”	Sugbo Prime Estate, Inc.
“SRC”	Securities Regulation Code (Republic Act No. 8799), as the same may be amended from time to time.

“SRC Rules”	2015 Implementing Rules and Regulations of the SRC, as the same may be amended from time to time.
“Subsidiary” or “Subsidiaries”	An entity of which a Person has direct or indirect Control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership.
“Tax Code”	National Internal Revenue Code of 1997 (Republic Act No. 8424), as amended.
“Time of Completion”	Within one year from the date of the issuance of the license to sell, or any other period fixed by the DHSUD.
“TRAIN Act”	Tax Reform for Acceleration and Inclusion (Republic Act No. 10963).
“Trustee”	The Person who may be appointed in such capacity by the Issuer in connection with a particular Offer who will act as the trustee of the holders of the Bonds issued in relation to such Offer and identified as such in the relevant Offer Supplement.
“Trust Agreement:”	The Trust Agreement to be executed between the Issuer and the Trustee in connection with a particular Offer.
“Underwriters”	The Persons who may be appointed in such capacity by the Issuer in connection with a particular Offer who will underwrite the relevant tranche of the Bonds and identified as such in the relevant Offer Supplement.
“UP”	University of the Philippines.
“UPE”	Ultimate parent entity.
“VisMin”	Visayas and Mindanao.
“YES”	Yuson Excellence Soberano, Inc.
“YHES”	Yuson Huang Excellence Soberano, Inc.
“YHESPH”	YHES Premier Hotel Inc.
“YHEST”	YHEST Realty and Development Corporation.
“y-o-y”	Year on year.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information, and audited consolidated financial statements (including notes thereto) found in the appendices of this Prospectus.

Prospective investors should read this entire Prospectus fully and carefully, including the section on *“Risk Factors and Other Considerations”*. In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

OVERVIEW

CLI is the leading residential developer in Visayas and Mindanao. The Company's story began with a vision to provide quality homes for everyday Filipinos. Jose R. Soberano III founded CLI and incorporated the Company on September 26, 2003. On June 2, 2017, the Company was listed on the Philippine Stock Exchange (PSE) with “CLI” as its ticker symbol. A total of 430,000,000 shares were issued and fully subscribed at ₱5.00 per share. CLI's initial public offering was instrumental in this growth, as it raised ₱2.15 billion worth of fresh capital from investors – boosting its expansion in new locations and fueling its various projects.

To date, CLI has close to 100 projects in different development stages and established a diverse portfolio of residences, offices, hotels, mixed-use properties, and townships across 15 key cities in the VisMin regions.

The Company bagged the Best Developer of the Philippines in 2019 and the Best Developer in Visayas and Mindanao 2021 during the PPA and Asia Property Awards, winning against other well-established players in the industry. A recent market study by Santos Knight Frank (“SKF”) named CLI as the top residential developer in the Visayas and Mindanao (“VisMin”) in 2021 with the largest market share among real estate firms. CLI dominates the condominium and subdivision market by 33% and 26% respectively. The study also reported CLI as the fastest seller in the VisMin market with 83% absorption rate outpacing the industry average of 65% due to a well-trusted and recognized brand by both local landowners and buyers, as also provided for in the SKF market study dated September 28, 2021 .

Real estate development overview

CLI develops projects that cater to the needs and demands of its stakeholders in Visayas and Mindanao. CLI has rapidly evolved from its humble beginnings on a single 3-hectare land in Balamban when the founder, Jose R. Soberano III spotted untapped housing opportunities in the countryside of Cebu. Today, CLI has a diverse real estate portfolio catering to various markets, whether residential, mixed-use developments, hotels and resorts, offices and retail, and townships and estates.

CLI provides affordable, high-quality housing for everyday Filipinos. In line with CLI's commitment to giving more for the Filipino family, Casa Mira, the Company's flagship economic brand, contributes to meeting this rising demand. Townhouses and residential condominiums are offered in Casa Mira communities along with amenities that are typically only found in more expensive developments.

The majority of CLI's projects, particularly those in the economic and mid-market segments, quickly sell out after being launched. This demonstrates that the Company satisfies the demands and preferences of its markets. At the height of the pandemic in 2020, VisMin residents made a record-breaking number of purchases of Casa Mira housing units starting at ₱1.6 million. As a result, reservations sales continued throughout the difficult year and reached ₱14.23 billion, accounting for 69 percent of all reservations sales at the time.

In order to better serve its customers in an increasingly competitive market, CLI intends to keep expanding its development projects into new areas of the VisMin region.

Completed projects

Vertical and horizontal residential, mixed-use, office, hotel, and retail projects make up the 35 completed developments of the Company.

The Company has successfully completed 30 residential projects in Cebu, Bacolod, Cagayan de Oro, and Davao. The three-tower MesaVerte Garden Residences, which was one of these projects and was its first expansion project outside of its native Cebu, was already turned over and was completed in 2020. MesaTierra Garden Residences, the first of the numerous projects in Davao, was also finished in 2021. Additionally turning over in 2022 is MesaVirre Garden Residences A & B in Bacolod. As of the first quarter of 2022, these completed residential developments were 96 percent sold out.

Aside from its residential developments, CLI also owns three operational office buildings with a combined Gross Leasable Area of almost 29,000 sq.m. The primary office building for the Company and the place where CLI's headquarters are situated in Park Centrale in IT Park, Cebu. Since it was completed, the development has remained 100% full occupancy and was awarded as the Best Commercial Development in Cebu by the Philippine Property Awards in 2014.

Latitude Corporate Center which was recently turned over in 2020 stands 24 storeys high at the heart of Cebu's business district. CLI expects sectors like IT-BPO to gradually return to office spaces as the economy has been reopening. Latitude Corporate Center is a 5-Star BERDE-certified green building, which puts the Company in a good position to meet this demand.

In 2019, CLI opened its first hotel project with Citadines Cebu City in partnership with The Ascott Limited. Citadines Cebu City is a 180-room serviced residence strategically located within CLI's mixed-use lifestyle hub in midtown Cebu, the Base Line Center.

CLI has more in store for the VisMin real estate market, as it aims to introduce more projects in key locations, expand to new areas in the region, and tap into diverse markets.

Ongoing projects (under construction)

CLI has 55 ongoing projects in various stages of construction as of the first quarter of 2022. These projects are spread out over 15 key regions in Visayas and Mindanao. Construction is now in full swing at all of the Company's construction sites as of 2021, after the pandemic-related lockdown has eased and the economy has reopened.

Thirty-three residential projects totaling a project value of ₱62.7 billion are among the projects that are currently being developed. These projects have 17, 974 units of which eighty-six percent were already sold. CLI prides itself to sell projects at higher velocity, turn-over quickly on its developments, and move swiftly from pre-selling to construction and delivery. Continuing sales efforts are being made to sell out the projects as they get closer to completion. The Company's optimal market acceptance is known to the 1,785 real estate brokers and 11,000 sales agents across the VisMin regions who continuously support CLI.

Investing in capital to support recurring revenue from both hospitality and leasing businesses is one of the strategies CLI foresees to be the region's future growth. CLI's long-term strategy is to build up its office, retail, and hospitality portfolio's GLA to 200,000 sq.m. – eventually contributing to 10% of its growing top line within the next five years.

The Company is currently constructing nine hospitality projects with 1,565 room keys and various office and commercial projects totaling 47,000 Gross Leasable Area. More projects are in the pipeline at the planning and design stages to meet CLI's strategy to continue its build-up of its recurring income portfolio.

Newly launched and Pipeline projects for 2022

CLI surpassed past performance records despite the ongoing pandemic. The Company hit record reservation sales for residential properties at ₱16.5 billion in 2021 – a 16% increase compared to ₱14.5 billion in 2020. CLI is at the forefront of meeting the sustained housing demand in VisMin as it launched 10 projects worth ₱18 billion in 2021 and provided 3,865 new residential units. This number of launches surpassed the eight projects which was unveiled during the pandemic year of 2020 worth ₱11.5 billion.

In 2022, CLI has a solid pipeline of over 21 projects over the next two years, this includes 19 residential projects featuring wide range of products and markets to be located in various key areas in the Visayas and Mindanao region, Astra Corporate Center an office condo in Cebu, and lot sales in Davao Global Township. To continue growing its recurring income developments, CLI will also begin construction of the commercial areas in the Phase 1 of Davao Global Township, which comprises the Cultural Center, City Center, and Pavilion.

CLI reported strong sales take-up in the first three months of 2022, reaching ₱4.5 billion, or 36% more than Q1 2021's ₱3.3 billion. The Company has successfully launched four projects in Dumaguete, Bohol, Cebu and Davao. The biggest contributor was The East Village, the first residential development of CLI's Davao Global Township (DGT), which was recognized as the Best Township in Asia by PropertyGuru Asia Property Awards in 2021, made the largest contribution. Three of the residential community's six towers sold out in four days, prompting the launch of the fourth tower in Q2 2022.

CLI continues to acquire high value landbank to drive continued growth of revenues in the coming years. As of December 31, 2021, the Company has 103 hectares of land for development in 15 VisMin development locations. It acquired 41 hectares of land in 2021, raising the entire landbank value to ₱12 billion. Furthermore, the Company has a number of significant land purchases lined up in Cebu, Iloilo, Cagayan De Oro ("CDO") and Davao, with additional development locations such as Butuan, General Santos City and Roxas on the horizon.

Residential developments

Residential developments make up the majority of the Company's operations and project portfolio. The aim of CLI is to address the demand for quality-built, cost-effective value for money housing and well-planned communities. The Company continues to launch new housing projects in response to the housing backlog and heightened desire for safe and secure homes equipped for the needs of the new normal.

There has been a total of 67 residential projects, comprised of a total of 30,659 units, with a project value of ₱91.9 billion and a total land area of 184 ha. The Company has sold 89% of the units with the total sales value of ₱78.39 billion.

Based on the markets they are targeting, the Company's housing developments are divided into brands. The Company's fastest-growing and most popular brand is Casa Mira, whose units typically cost ₱110,000 per sq.m. or ₱1.7 million per housing unit and cater to the housing needs of the affordable market. Over time, the Casa Mira series has proved to be a valuable asset, maintaining the largest residential market share in Visayas and Mindanao. Its success has largely been credited to its great value, providing residents with reasonably priced homes in beautiful communities with the added benefit of several amenities usually packaged with higher-priced developments. These include a clubhouse with multi-purpose halls, chapel, swimming pool, basketball court, and children's playground.

With selling prices starting at 120,000 per sq.m. or housing unit pricing ranging from ₱2.5 million to ₱3.2 million, the Garden series is another potent brand of CLI that targets the mid-market. Subdivisions under this brand are called Velmiro, while condominium projects are known as Garden Residences. Gardens series prides itself in providing an impressive host of amenities that include a swimming pool, multi-level clubhouse with function rooms, fitness gym, basketball court, and playgrounds situated in expansive landscaped park.

On the other hand, Premier Masters are high-end residential buildings with prices starting at ₱140,000 per sq.m. These masterpieces of CLI are located in prestigious urban areas, offering a luxurious lifestyle

and world-class living. These developments include Terranza Residences in Iloilo, Costa Mira Mactan, and The 38 Park in I.T. Park Cebu.

Lastly, Villa Casita, are socialized housing units with prices not exceeding ₱480,000. Through CLI's socialized housing projects, the Company can provide decent and affordable housing to the least of the market segment.

Leasing Projects

The Company's leasing portfolio is currently operating a combined Gross Leasable Area of over 29,000 sq.m. This leasing business is composed of three office buildings and commercial spaces that compliments its residential and office developments. CLI's long-term strategy is to build up its office and commercial business' GLA to 200,000 sq.m. in the next 5 years.

In 2021, CLI has doubled its GLA from 14,000 after the completion of Latitude Corporate Center. Aside from this, CLI has over 47,000 sq.m. of additional office and retail GLA currently under construction.

Hotel Projects

In 2019, CLI opened its first hotel project with Citadines Cebu City in partnership with The Ascott Limited. Citadines Cebu City is a 180-room serviced residence strategically located within CLI's mixed-use lifestyle hub in midtown Cebu, the Base Line Center.

CLI currently has nine hospitality projects under construction to boost up its hotel business. These hotels have management agreements with well-known hotel management companies, including the three additional hotels with Ascott Limited, Sofitel Cebu and Mercure in Patra de Cebu with the Accor Group and Abaca Resort Mactan, the first resort project being developed by CLI, scheduled to open in 2025.

As of the first quarter of 2022, the Company's key statistics for hospitality include: 180 rooms completed, ten projects included in portfolio and a 284% y-o-y growth in revenue.

FINANCIAL PERFORMANCE

2021

In 2021, CLI recorded net income to parent shareholders of ₱2.61 billion, an increase of 42% from ₱1.846 billion in 2020. With its 2021 results, the Company has effectively surged past its 2019 pre-pandemic bottomline by 30%.

CLI's consolidated revenues likewise 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. 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 2021, construction was in full-swing across all project sites in 15 key cities in VisMin with catch-up measures in place to compensate for delays caused by quarantine restrictions.

Actual capital expenditures amounted to ₱9.7 billion in 2021, 80% was spent on project development and construction while 15% was used for land acquisitions.

The Company's balance sheet remains strong with total assets amounting to ₱66.65 billion. Debt management likewise stay prudent with a net-debt to equity of 1.72x while lowering down the cost of borrowing from 4.96% to 4.75%.

PERIOD-END MARCH 31, 2022

For the period ended March 31, 2022, CLI generated a net income to parent of ₱ 811 million, or a normalized growth of 62% year on year. The term normalized is due to the one-time tax adjustment that the Company recorded from the passage of the CREATE Act which considerably reduced the company's recorded taxes during the year. Considering the tax benefit in 2021, CLI grew by 14% from the reported ₱ 714 million in net income to parent of the same period last year.

The significant increase in profit was driven by the outstanding revenue growth of 53% which was fueled by the robust sales take-up and increase in construction operations during the period. Revenue from sale of real estate reported a notable increase of 52% y-o-y to ₱3.5 billion from ₱2.3 billion which resulted from higher construction progress and more units qualifying for revenue recognition.

During the year, CLI's ratios remain healthy with Return on Assets at 5% and Return on Equity (parent) at 30% while the Company's Net Debt to Equity ratio is stable at 1.72x.

COMPETITIVE STRENGTHS

The Company considers the following as its competitive strengths:

- Leading property developer in Cebu with a distinguished brand and reliable track record of project execution proven during the pandemic. In terms of market segment, CLI's realized revenue from economic housing grew from 44% for the year 2021 to 60% for the first quarter of 2022. This comes with CLI's demonstrated growth of 53% across all business segments, driven by a full swing of construction activity. Cebu continues to be the main driver in realized revenue in terms of location. It continues to contribute the largest share despite the decrease from 55% for the year 2021 to 36% for the first quarter of 2022. The Visayas region's share in realized revenue in terms of location grew from 23% for the year 2021 to 34% for the first quarter of 2022, while the Mindanao region share grew from 21% for the year 2021 to 29% for the first quarter of 2022.
- Strategic location selection to provide value for money proposition to customers
- Highly diversified portfolio and expanding project portfolio and socio-economic markets
- Experienced management team and organizational culture
- Socially responsible development
- Strategic joint venture partnerships
- Financial strength: Strong profitability, prudent financial management and a healthy balance sheet
- Operational excellence

KEY STRATEGIES

The Company's business strategies include the following:

- Expansion to key cities in the Visayas and Mindanao
- Building recurring income developments
- Vertical integration – property management
- Growth of economic housing brand (Casa Mira)
- Capitalizing on pipeline projects
- Establish and leverage strategic partnerships, alliances, joint ventures, and cooperation

RISKS OF INVESTING

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Bonds. Some of these risks are briefly summarized below and discussed with additional details in the section entitled "*Risk Factors and Other Considerations*".

- **Risks Related to the Company**
 - There is heightened competition among local and national players where the Company is

operating and expanding. Competition for the acquisition of land for new projects could adversely affect the Company's business.

- The Company's business is affected by various regulations in the Philippines.
- The Company's business is affected by current events, such as the Russia- Ukraine war and the transition of the Philippine government to a new administration.
- The Company's current portfolio is composed of approximately 99% properties for sale and 1% recurring income properties.
- The Company is new to some regional markets.
- The Philippine property market is cyclical.
- Given the current geographic concentration of the Company's real estate sales, the Company's results of operations would suffer if the residential housing and land development industry in the Company's current markets decline.
- The Company is at risk for a possible decline in market.
- Increased inflation, fluctuations in interest rates, and changes in the Philippine Government's borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.
- The real estate sector is capital intensive and might cause difficulty for the Company to readily raise the necessary capital to acquire new land or complete existing projects.
- A portion of demand for the Company's products is from overseas Filipinos, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are located.
- The Company engages third-party brokers and agents to sell its residential housing, residential condominium, office condominium, and condotel projects.
- Cancellation of sales involving the Company's projects could adversely affect its business, financial condition, and results of operations.
- The Company enjoys certain tax exemptions and incentives, the loss of which may increase the Company's tax liability and decrease future Company profits.
- Natural catastrophes may affect the Company's business adversely.
- Titles over land owned by the Company may be contested by third parties.
- The Company's reputation will be adversely affected if its projects are not completed on time or if the projects do not meet customers' requirements.
- Independent contractors may not always be available or may not be able to meet the Company's quality standards, or complete projects on time or within budget, and may encounter difficulties which will result in a delay of the project.
- Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.
- The Company relies on its key executives and officers and the members of the Soberano Family to manage business operations.
- The Company is party to a number of related party transactions.
- The Company may be involved in legal and other proceedings arising out of its operations from time to time.
- The Company works with various joint venture partners for some of its projects, whose interest may differ from that of the Company's.

- **Risks Related to the Philippines**

- Economic Considerations
- COVID-19 Pandemic
- Political Considerations
- Terrorist acts, crimes, natural disasters and outbreaks of infectious diseases or fears of such occurrences in the Philippines

- **Risks Related to the Bonds**

- An active or liquid trading market for the Bonds may not develop.
- Holders of the Bonds may experience liquidity issues and potential loss of principal value if the Bonds are sold at the secondary market.
- Holders of the Bonds may face possible gain or loss if the Bonds are sold at the secondary market.
- Holders of the Bonds may be unable to reinvest the proceeds of their Bonds following

redemption by the Issuer.

- The Bonds may not be able to retain its credit rating.
- The Bonds have no preference under Article 2244(14) of the Civil Code of the Philippines.

CORPORATE INFORMATION

The registered office of the Company is at the 10/F Park Centrale Tower, B2 L3, Jose Ma. Del Mar Street, Cebu IT Park, Brgy. Apas, Cebu City. The Company's telephone number at this location is +63 (32) 231-4870 and 254-1254.

The Company's website is www.cebulandmasters.com.

Investor Relations Office

For investor communications and compliance, the following officers may be contacted:

B. Grant L. Cheng
Chief Financial Officer
grant_cheng@cebulandmasters.com

Clarissa Mae A. Cabalda
Sr. Corporate Finance and IR Manager
clarissa@cebulandmasters.com

Atty. John Edmar G. Garde
Compliance Officer and Investor Relations Officer (IRO)
jggarde@cebulandmasters.com

The Investor Relations Officer (IRO) and Compliance Officer are the Company's operating leads and in-charges with respect to disclosures and continuing requirements of the SEC and the PSE.

SUMMARY OF FINANCIAL INFORMATION

The following tables present a summary of the consolidated financial information for the Group and should be read in conjunction with the auditor's reports and the Group's consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis or Plan of Operations." The summary financial information presented below for each of the three years ended December 31, 2021, 2020 and 2019 and interim financial periods March 31, 2022 and 2021 were derived from the consolidated financial statements of CLI prepared in accordance with PFRS as modified by the application of the financial reliefs issued and approved by the SEC in response to the COVID-19 pandemic and audited by P&A in accordance with the PSA.

In ₱	December 31, 2019 (Audited)	December 31, 2020 (Audited)	December 31, 2021 (Audited)	March 31, 2021 (Unaudited)	March 31, 2022 (Unaudited)
Revenue	8,499,047,935	8,298,820,318	11,162,170,684	2,349,435,741	3,584,603,836
Cost of Sales	-4,300,684,977	-4,282,111,458	-5,972,289,664	-1,209,832,321	-1,931,377,678
Gross Profit	4,198,362,958	4,016,708,860	5,189,881,020	1,139,603,420	1,653,226,158
Operating Expenses	-1,145,201,008	-1,265,920,859	-1,950,338,710	-395,557,524	-532,019,085
Interest Expense	-44,926,212	-65,805,262	-264,069,008	-48,874,797	-112,308,018
Other Operating Income	53,133,383	68,597,820	257,229,190	21,994,241	62,873,961
Other Gains/ Losses	120,124,603	38,000,349	-129,111,831	-1,205,770	-191,984
Profit before tax	3,181,493,724	2,791,580,908	3,103,590,661	715,959,570	1,071,581,032
Tax Benefit/ Expense	-743,556,215	-715,853,587	-432,719,044	9,225,536	-251,383,563
Consolidated Net Income	2,437,937,509	2,075,727,321	2,670,871,617	725,185,106	820,197,469
Non-Controlling Interest	-425,647,893	-229,607,588	-57,934,293	-11,352,818	-9,560,902
Parent Net Income	2,012,289,616	1,846,119,733	2,612,937,324	713,832,288	810,636,567

SUMMARY OF THE OFFER

The specific terms of the Bonds and the relevant Offer will be determined by the Issuer considering its own requirements and the prevailing market conditions and shall be provided in an Offer Supplement to be circulated at the time of the relevant Offer.

Hence, a discussion containing the “*Summary of the Offer*” shall be set out in the relevant Offer Supplement. However, any such summary should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus and such Offer Supplement, including, but not limited to, the discussion on the “*Description of the Bonds*” and “*Plan of Distribution*”, and other transaction documents as will be executed in relation to the relevant Offer.

RISK FACTORS AND OTHER CONSIDERATIONS

GENERAL RISK WARNING

An investment in the Bonds involves a number of risks. Prospective investors should carefully consider the risks described below, in addition to other information contained in this Prospectus, including the Company's financial statements and notes relating thereto, before making any investment decision relating to the Bonds. These factors, which are of equal importance and are organized in no particular order, may be summarized into those that pertain to the business and operations of the Company, those that pertain to the overall political, economic, and business environment in the Philippines, and those that pertain to the Bonds.

This section does not purport to disclose all of the risks and other significant aspects of investing in Bonds. Investors deal in a range of investments each of which may carry a different level of risk. Investors should seek professional advice regarding any aspect of the securities such as the nature of the risks involved in the trading of the securities. Investors should undertake independent research regarding the Company and the trading of securities before commencing any trading activity and may request all publicly available information regarding the Company and the Bonds from the SEC.

The Company's past performance is not an indication of its future performance. There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or are currently considered immaterial could have a material adverse effect on the Company's business, result of operations, financial condition and prospects, and could cause the market price of the Bonds to fall significantly and investors may lose all or part of their investment.

RISKS RELATED TO THE COMPANY

There is heightened competition among local and national players where the Company is operating and expanding. Competition for the acquisition of land for new projects could adversely affect the Company's business.

The Company's future growth and development are dependent, in part, on its ability to acquire or enter into agreements to develop additional tracts of land suitable for the Company's planned real estate projects. When the Company and its competitors attempt to locate sites for development, the Company may experience difficulty in locating parcels of land of suitable size in locations and at prices acceptable to the Company. In the event the Company is unable to acquire suitable land at acceptable prices, with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

The Company faces tough competition from a number of local and national players that take advantage of the growing real estate market in Cebu. For residential projects, CLI competes with Ayala Land, Inc., Filinvest Land, Federal Land, Taft Properties, Primary Homes, Aboitiz Land and a host of other local and national players. For commercial developments and office space leasing, CLI faces Ayala Land, Inc., Primary Structures Corporation, Skyrise Realty and Development Corporation, Megaworld, Inc. and other players as its competitors in addressing the demand for office buildings of the fast-growing BPO industry and retail spaces.

Nevertheless, CLI has been able to establish itself as Cebu's leading local housing developer due to its strong track record in the four main market segments namely high-end, mid-market, economic and socialized housing. Thus, the Company can tailor-fit its residential developments not only to achieve the best use of a property but also to ensure its optimal market acceptance. This has enabled CLI to sell its projects at a higher velocity, turn over quickly on its developments, and move swiftly from pre-selling to construction and delivery. CLI's consistently high sales performance is enabled by innovative sales and marketing strategies, which allows itself to bring products to the market faster than the competition with the commanding support of its 11,000-strong real estate broker and agent network.

In order to gain further versatility, the Company has also diversified into commercial, hospitality and industrial developments. With CLI's growing local leadership and expertise in various real estate product offerings, the Company believes it will be able to sustain its growth amidst heightened competition.

The Company's limited land bank inventory compared to other developers is deliberate. CLI's thrust is to immediately develop a property once acquired and after completion, to quickly turn over the same to the buyers to achieve faster financial gains and to ensure efficient use of capital.

The Company emphasizes creating shareholder value by being opportunistic with investments and being judicious in its deployment of capital. Decisions on capital expenditures, whether financed by equity or debt, are made with a priority on generating a strong return on investment in a measurable and realistic timeframe. Having too large a landbank would necessarily mean that much capital is devoted to holding non-revenue generating assets while incurring cost of debt or equity. Much in the same way that capital-efficient firms employ a 'just-in-time' to efficiently utilize capital, CLI chooses only to raise capital when it can confidently forecast and execute a project with a reasonable rate of return.

Nevertheless, despite the heightened competition for land in Cebu and VisMin, the Company does not find any substantial difficulty in acquiring target properties. The Company's local connections in VisMin and familiarity with the people and the territories where it is operating enable CLI to attract reverse inquiries for possible JVs with landowners or offers for sale of properties. The Company will continue to open its doors to JV partnerships and to work on the success of its current JVs and projects in order to retain its good reputation in the territories where it is operating.

The Company's business is affected by various regulations in the Philippines.

CLI operates a material part of its businesses in a highly regulated environment. CLI's business is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and wastewater discharges, odor emissions, and the management and disposal of, and exposure to, hazardous materials. The Company cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that it may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

In addition, CLI is required to obtain licenses to sell before making sales or other dispositions of housing and condominium units. For more information on the environmental laws and other regulations affecting the Company's operations, please see discussion on the section on "*Regulatory Framework*" on page 125.

Project permits and any license to sell may be suspended, cancelled, or revoked by the DHSUD, HSAC, or by the courts upon its findings or upon complaint from an interested party, and there can be no assurance that the Company will receive the requisite approvals or licenses, or that such permits, approvals or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have a material adverse effect on its financial condition and results of operations.

Moreover, the Company has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. Further changes to the applicable governmental laws and regulations, fiscal policies and zoning ordinances will result in additional costs of compliance for the Company.

CLI, through its construction and property management arms, keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means. It also continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for its subdivision and condominium projects. The Company also practices and adheres to a strong compliance culture and maintains positive relationships with regulatory and local government agencies.

The Company's business is affected by current events, such as the Russia-Ukraine war and the transition of the Philippine government to a new administration.

The invasion of Ukraine by Russia has triggered multiple economic repercussions. Since Russia is a major producer of petroleum, the discontinuance of petroleum supply from it would mean that the global supply has decreased. Disruptions to the flow of petroleum to the supply chain drives prices up, making costs of inputs much more expensive.

While the Philippines and the other Southeast Asian countries have limited dependency on either country, the ensuing global sanctions adversely impact Philippine economic conditions. Food and fuel prices steadily pushed up since the first quarter of 2022.

While the Company is not directly affected, this would mean increased construction costs (cost of steel, cement, and other construction materials), and thus, a slower takeout of completed units, which would most likely lead to lower reservation sales of new projects.

With the recently concluded national and local elections last May 2022, the entry of new government leaders for both local and national positions marks a transition from familiar procedures to possibly new procedural policies. This may mean delays in permits or title processing which could trigger delays in project completion, which could lead to project compliance issues with financing partners who require specific project milestones. CLI actively manages this risk by ensuring good working relations and proactive communications with any new administration, national and local, to ensure continued support for our industry and the Company.

The Company's current portfolio is composed of approximately 99% properties for sale and 1% recurring income properties.

For 18 years, the Company has been successful in selling its various residential and commercial for-sale projects. Only two out of its 29 completed projects have not reached at least 90% sales performance so far. Nevertheless, it may be affected during market downturns when end-user financing becomes less accessible. Though the Company has been building up its recurring income assets, this still comprises only roughly 1% of its portfolio. The Company, in anticipation of these market downturns, has positioned itself to grow its current mix of recurring income properties in the next five years. The Company's target mix is composed of 90% residential developments and 10% recurring income projects.

The Company also considers as a mitigant its current diverse residential portfolio, encompassing the high-end, mid-market, economic and socialized housing segments. Though the Company is expanding in all four segments, it can easily maneuver to where the demand and market conditions provide more support.

The Company is new to regional markets including Cagayan de Oro, Davao, Dumaguete, Bacolod, Iloilo, Bohol and Ormoc.

Despite the Company's strong track record and successful projects in Cebu, CLI may not be able to execute its business expansion plans and strategies, especially with respect to new projects and undertakings in other regional markets. There is no guarantee that CLI's future projects will, similar to its real estate offerings in Cebu, be successfully completed and sold as planned. There is likewise no guarantee that the take up for its new developments will remain robust.

That being said, the Company is confident it can successfully penetrate new markets using the project templates that has made it the leading developer in Cebu.

In 2015, CLI embarked on its regional expansion when it launched MesaVerte Residences in CDO. This is the mid-market condominium offering of CLI with three 15-storey residential towers having a total of 798 units which almost sold out in less than a year of pre-selling. In 2018, the Company then introduced its mid-market horizontal project in the same city – Velmiro Uptown CDO. The subdivision's master plan shows an inventory of 396 units intended to meet the housing demand in the area.

In 2016, CLI successfully set its foothold in Davao by launching MesaTierra Garden Residences, a 22-

storey residential condominium.

In 2017, CLI strengthened its market presence in Davao by entering into two new joint ventures to develop the Paragon Center and Davao Global Township, a 22-hectare estate project. The Company then launched Casa Mira Coast, a five-hectare property in Sibulan, Negros Oriental. After the successful launch of its first Casa Mira brand outside Cebu, CLI expanded its footprint from Negros Oriental to Negros Occidental by introducing MesaVirre Garden Residences, a three-tower residential condominium project in Bacolod City.

In 2020, CLI sets footprint in Bohol and Iloilo with the successful launching of Velmiro Greens Bohol, a 3.6-hectare modern mid-market horizontal development in Jaro Daus, Panglao, Bohol, and Casa Mira Iloilo, 14.4-hectare economic subdivision project in Jaro, Iloilo City with 1,188 housing units. With the fully take-up Casa Mira Coast in Sibulan, Negros Oriental, the Company launched Casa Mira Dumaguete, a 6.1-hectare project to develop 586 economic horizontal housing units. CLI also launched Casa Mira Towers LPU, a 930-unit economic condominium project, as a housing option for students in Lyceum of the Philippines University.

In 2021, CLI launched its first project in Ormoc, Casa Mira Ormoc is the first Casa Mira brand in Leyte. It has a very strategic location and it offers affordable townhouse units with very generous payment schemes. Casa Mira continues to expand to major key cities in Visayas and Mindanao and is launching its first project in Eastern Visayas. Casa Mira Homes Ormoc is a 9.13-hectare residential subdivision in Brgy. Luna Ormoc City.

CLI has several strategic land acquisitions lined up in greater Cebu, Bacolod, CDO and Davao, with new expansion areas such as Butuan, Roxas and General Santos City also on the horizon. CLI continues to pursue its aggressive plans to establish and deliver quality developments across the VisMin region.

The Philippine property market is cyclical.

The Company expects to derive a substantial portion of its revenue in the future from current and future portfolio of residential and mixed-use development projects. Accordingly, the Company is dependent on the state of the Philippine property market. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and demand for comparable properties, the rate of economic growth in the Philippines, and political and social developments.

While the Company has no control over the property market, this risk is mitigated by the fact that construction for the Company's projects is completed in a fraction of the time taken for comparable-sized projects by other developers. Construction normally begins immediately once properties are acquired in the normal course of business. There remains a significant backlog of housing units in the economic and socialized housing segments in which the Company competes. There is also a growing demand for office spaces to cater to the booming BPO business in Cebu, which is now considered one of the top outsourcing destinations in the world. Financing facilities for buyers in the housing segment has become widely available from financial institutions. Lastly, the Company believes that its reputation as a quality home builder and real estate developer, coupled with value for money project developments, will help it withstand the cut-throat competition in the Philippine property market.

Given the current geographic concentration of the Company's real estate sales, the Company's results of operations would suffer if the residential housing and land development industry in the Company's current markets decline.

A significant portion of the Company's residential housing and land development business is located within Metro Cebu. As a consequence of this, any prolonged economic downturn in this market could have a material adverse effect on the Company's business, results of operations and financial condition.

To further cushion the impact of stiff competition in Metro Cebu, the Company is expanding project developments to other highly urbanized centers in CDO, Davao, Dumaguete, Iloilo and Bacolod. The Company remains steadfast in its 2020 vision of becoming the leading local developer in the Visayas and Mindanao regions.

The Company might risk being exposed to housing price bubbles brought by historically low interest rates, expansion in overall liquidity, and extensive construction of housing units.

With the aggressiveness in the real estate sector developments in the country, a steep rise in property prices was observed. A housing price bubble occurs when demand for property suddenly decreases when the supply on real estate property increases. The rapid upsurge in asset prices might result in an eventual decline in prices as markets recalibrate. In addition, housing price bubble may also happen when speculative investing, which is ubiquitous in China, Hong Kong and Singapore, is apparent. To counter that, the demand registered in the local sector is backed by demands from end-users rather than speculative buyers. This, in turn, diminishes the probability of having the asset price bubbles since real estate properties are not bought as investments but for the purpose of living.

The Company is confident in the efforts of the BSP to control inflation and prevent the formation of asset bubbles in real estate. In addition, the Company operates and competes in a market segment where there remains a significant backlog of housing units for end-users comprising of middle-income individuals, couples and families. By doing so, the Company is catering to a market segment which has a particular and real housing need. Moreover, the Company is growing its recurring income with its commercial and office developments, upcoming hospitality business and foray into industrial development, to mitigate the effects of a possible housing price bubble.

Increased inflation, fluctuations in interest rates, and changes in the Philippine government's borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Changes in interest rates, the Philippine government's fiscal policy and lending regulations, among other events and conditions, could have a material adverse effect on the Company and on the demand for its products.

With the bank lending cap imposed by the BSP to the real estate sector, the Company's access to capital and its cost of financing become limited. Once the single borrower limit with respect to their current or preferred bank or banks is met, the Company may encounter difficulty in obtaining financing on the same or similar commercial terms from other banks.

A sustainable increase in inflation in the country might push the cost of raw materials upward, which the Company may not be able to pass on to its customers, or to its contractors by having them absorb raw material costs. In the event the Government substantially increases its borrowing levels in the domestic currency market, the interest rates charged by banks and other financial institutions are likely to increase and effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company. Since the Company believes that a substantial portion of real estate customers avail themselves of financing, through either the developer's in-house scheme or through the bank, to fund their property purchases, higher interest is expected to be observed which would make purchases of real estate more expensive, and consequently affects demand for the Company's residential projects.

The existence of any of the abovementioned events, or any combination thereof, or of any similar events could have an adverse effect on the Company's business, financial condition, and results of operations.

The Philippine government, specifically the BSP, has introduced measures to monitor the real estate sector. Its interventions would help the market become resilient and sustainable.

The Company prudently manages its balance sheet, and its gearing and leverage ratios are all within or better than industry standards, giving CLI headway to obtain additional bank financing.

The real estate sector is capital intensive and might cause difficulty for the Company to readily raise the necessary capital to acquire new land or complete existing projects. It also has a naturally multi-year cash cycle that goes through a negative operating cash flow period for most of its cycle before realizing a cumulative positive cash outcome for each project.

The Philippines' real estate sector requires a substantial amount of capital to acquire land for development, complete existing projects, and commence construction on new developments. The

Company has spent ₱9,661 billion, ₱7,409 billion and ₱9,590 billion for the foregoing activities in the years 2021, 2020 and 2019, respectively.

The Company has relied on internally generated funds and external financing for its landbanking expenditures and real estate development programs. Due to the capital-intensive nature of the real estate industry, it is inevitable that developers will need external support to finance their projects. Failure to obtain the requisite funds could delay or prevent the acquisition of land, completion of ongoing projects or commencement of new projects, which could materially and adversely affect the Company's reputation, financial condition and results of operations.

To mitigate this risk, the Company cultivates strong relationships with its partner banks and has always demonstrated caution in its financial management as it strives to be efficient and effective in utilizing its capital. The Company also enters into strategic joint venture partnerships which enable it to position its developments in strategic and prime locations, as its joint venture partners either contribute the land or share in the acquisition cost and the Company takes charge of the property development and project management which in turn lowers cash outlay requirements and increases equity for the consolidated business.

Moreover, the Company ensures a high sales turnover of its real estate projects through its industry-leading sales support teams in VisMin. With over 60 sales support personnel, this team collaborates, coordinates and supports over 11,000 strong accredited brokers through various agent networks, which includes licensed brokers, sales agents/list of all sellers, as of May 31, 2022. This would involve the Company employing a value for money philosophy which creates a larger demand for its real estate developments in comparison to competitors.

With our projects being 95% sold out on average, the Company can earn assurance of returning capital to investors, and making a profit and ultimately generating a positive cumulative cashflow for its projects. As long as our projects make a healthy margin, and have a high sales take up, a negative operating cashflow is an inherent feature of the business model that can be addressed with prudent capital profile matching and sufficient revolving funds to monetize the profitability of projects.

A portion of demand for the Company's products is from overseas Filipinos, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are located.

Sales to overseas Filipinos, including OFWs and Filipino expatriates, which comprises 30% of the Company's buyers, generate a significant portion of the demand for the Company's housing and land development projects. A number of factors could lead to reduced remittances from OFWs, reduced number of overseas Filipinos, or reduced purchasing power of overseas Filipinos. These factors are:

- an appreciation of the Philippine peso, which would result in decreased value of the other currencies transmitted by overseas Filipinos;
- any difficulties in the repatriation of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located such as the United States, the Middle East, Italy, the United Kingdom, Singapore, Hong Kong and Japan;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions such as the Middle East; and
- restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company's projects from overseas Filipinos, which could have a material adverse effect on the Company's business, financial condition and results of operations.

However, OFW remittances continue to enjoy consistent growth for the past two years. OFW remittances have grown consistently on a year-to-year basis since 1989. For the period from January

to December 2021, OFW cumulative remittances reached US\$31.4 billion, a growth of 5.1% year-on-year¹. Thus, it is expected that the demand for the Company's housing and land development projects from overseas Filipinos and their families will continue to enjoy stable financing from OFW remittances.

The Company engages third-party brokers and agents to sell its residential housing, residential condominium, office condominium, and condotel projects.

The Company uses third-party brokers to market and sell its various real estate offerings to potential customers. If these brokers do not meet their requisite sales targets, the Company's business, financial condition and results of operations could be adversely affected. Moreover, there is competition for the services of third-party brokers in the Philippines and many of the Company's competitors may attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers.

Nevertheless, CLI has maintained a very professional and harmonious working relationship with its extensive brokerage network, which is 11,000 strong and supported by CLI's over 66 sales support personnel. All brokers and agents must secure accreditation from CLI as this allows the Company to properly screen, monitor and onboard these third-party brokers and agents. As part of its quality commitment, CLI schedules weekly product knowledge seminars, which provide a comprehensive orientation per project. This equips brokers and agents with the latest project data, and gives them greater confidence in the diverse offerings of the Company. With inventory in almost all residential segments and its growing commercial portfolio, these third-party brokers are able to offer more enticing options to their potential buyers. The Company has also pioneered various incentive programs for its brokers, which have paved the way for multiple and repeat selling efforts from individual sellers and brokerages.

Cancellation of sales involving the Company's projects could adversely affect its business, financial condition and results of operations.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of subdivision and condominium unit sales are cancelled. While the Company has reduced its cancellation rate from 4% in 2020 to 3.74% in 2021 based on the provisions for bad debts in its financial statements, there can be no assurance that it will not experience a material number of cancellations in the future. Should it happen, it will have a material adverse effect on the Company's business, financial condition and results of operations.

To prevent cancellations, the Company ensures value for its customers' money with its competitive pricing, quality locations, planning and design, generous amenities, timely and quality construction, well-established customer care, and after-sales and property management support. Furthermore, to minimize the risk of cancellations, the Company targets a prudent mix of clients, the bulk of which are OFWs and employed professionals and employees. Additionally, the Company markets its brand across several markets in several regions of the world and OFWs comprise 3% of its buyers. The Company aims to diversify its market further in order to avoid excessive dependency on a particular geographic location of buyers.

The Company enjoys certain tax exemptions and incentives, the loss of which may increase the Company's tax liability and decrease future Company profits.

The Company benefits from Philippine tax law and regulations which exempt sales of house and lot, and other residential dwellings with selling price of ₱3,199,200 or less from the 12% VAT pursuant to BIR Revenue Regulations No. 8-2021, amending for this purpose BIR Revenue Regulations No. 4-2021.

The Company also has registered a number of its projects with the BOI, which has allowed such projects to enjoy certain tax incentives. The Company's sales of its BOI-registered mass housing

¹ *Bangko Sentral ng Pilipinas* data on Overseas Filipinos' Remittances, available at <https://www.bsp.gov.ph/SitePages/Statistics/External.aspx?TabId=8> (data as of June 13, 2022).

projects with a price ceiling of ₱2.0 million and below are not subject to corporate income tax. The Company's projects that qualify for the tax holiday are described elsewhere in this Prospectus.

There is no guarantee that the Company's future development projects will be able to benefit from the income tax holiday benefits under the BOI, or that the BOI registrations to receive such benefits will not be delayed. The delay or absence of this income tax holiday on any of the Company's future development projects could have an adverse effect on the Company's results of operations.

The Company regularly obtains tax advisories from expert consultants to keep it updated on the best tax compliance practices. CLI ensures compliance with all the requirements for its tax exemptions or benefits to be able to continue the enjoyment of such benefits.

Natural catastrophes may affect the Company's business adversely.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, volcanic eruptions and earthquakes. The occurrence of such natural catastrophes may materially disrupt and adversely affect the business operations, cause damage to the Company's projects or result in work stoppages or delay construction and project delivery.

Although there can be no assurance that it will be adequately compensated for all damages and economic losses resulting from natural catastrophes, the Company maintains comprehensive insurance against natural catastrophes to cover its various developments.

Titles over land owned by the Company may be contested by third parties.

While the Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Philippine government), it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued to another person or entity. The Company, from time to time, may be required to defend itself against third parties who claim to be the rightful owners of land.

The Company conducts extensive title searches to determine the authenticity of titles to land offered to it before it acquires any parcel of land. It traces back titles of prospective properties up to the last three significant partitions or ownership transfer and then performs an exhaustive background check of the persons or parties involved in these transactions, especially their court records. It likewise conducts its own topographical and technical surveys of these properties to verify the accuracy of technical descriptions and the correctness of all boundaries. Furthermore, the Company investigates the existence of any prevailing liens or tax obligations which may adversely affect its ownership rights to properties to be acquired.

The Company's reputation will be adversely affected if its projects are not completed on time or if the projects do not meet customers' requirements.

The Company's reputation will be negatively affected if any of its projects carry construction or infrastructure failures, design flaws, significant project delays or quality control issues. Any reputational deterioration may consequently make it more difficult for the Company to attract new buyers to its future projects, to command a higher selling price or to sell its housing and land development projects.

As local companies and industries continue to grapple with the challenges that come with the extended pandemic, CLI seized this opportunity by breaking ground on new projects, continuing its construction operations. The Company has inherent strengths in engineering, project planning and execution.

With over 135 engineers in its roster, CLI handles the project and construction management aspect of every project, and manages the various contractors and sub-contractors that are utilized. As the project manager, CLI controls the delivery of its projects with priority on promptness, quality and professionalism. CLI does not have any in-house construction or any affiliated general contracting business.

Independent contractors may not always be available, or may not be able to meet the Company's quality standards, or complete projects on time or within budget, and may encounter difficulties which will result in a delay of the project.

The Company relies on various general and specialty independent contractors with both local and national experience to provide various construction services, including land clearing and infrastructure development. Should its independent contractors become unable to perform the contracted scope of work, or are unable to sufficiently meet the Company's demands and project requirements, these will result in delays in the project completion and delivery to customers.

Although the Company's personnel work closely with its independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always match the Company's quality standards, or will comply with government requirements and regulations relevant to their contracted scope of work.

Independent contractors may also experience financial or other difficulties such as insolvency, shortages or price increase of construction materials, work site accidents or labor issues, any of which could delay the completion or increase the project costs. Violations by the independent contractor of their government permits and licenses, or their failure to obtain such permits and licenses, may also affect the progress of the projects they are engaged to work on.

Any of these factors will have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing development projects, and have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company takes on an active role as project managers in supervising each phase of the construction of its projects. The Company also plans to put up its own construction arm in the future.

Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.

Philippine law provides that property developers warrant the structural integrity of condominium units, buildings, resorts and other structures designed or built by them for a period of 15 years from the date of completion. The Company may also be held responsible for hidden (i.e., latent or non-observable) defects in a housing unit sold by it when such hidden defects render the unit unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the unit to the buyer. In addition, Presidential Decree No. 1096, or the National Building Code of the Philippines (the "**Building Code**"), governs, among others, the design and construction of buildings, as well as certain requirements and standards that must be complied with. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors. Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

The Company has inherent strengths in engineering, project planning and execution. While the Company outsources the construction of its projects to third-party contractors, CLI actively takes charge of the technical planning, engineering and project management of its developments. Part of its land acquisition process involves the determination of the technical suitability of potential properties to be acquired for its projects. This includes the determination of any technical hindrances, via technical surveys, and the determination of applicable local government requirements, which may impair any

development plans and such development's quality. Due to the Company's technical strengths and its strict adherence to its own high development standards and the requirements of the Building Code, it is able to properly control, and assure itself of, the quality and timely completion of its projects.

The Company relies on its key executives and officers and the members of the Soberano Family to manage business operations.

The Company's key executives and management have contributed to its success with their combined knowledge, experience, business relationship and expertise in the industry. Key executives and members of management of the Company include members of the Soberano family.

Aside from occupying key executive positions in the business, the members of the Soberano family also occupy key executive positions in the Company's Subsidiaries, joint venture companies and/or affiliates. Jose R. Soberano III is the chairman and president of A.S. Fortuna Property Ventures, Inc., Cebu Landmasters Property Management, Inc., and CLI Premier Hotels Intl., Inc., wholly owned subsidiaries, as well as El Camino Developers Cebu, Inc., CLI-LITE Panglao Inc., Mivesa Garden Residences, Inc., Cebu Homegrown Developers, Inc., Cebu Landmasters Foundation, Inc. and Ming-Mori Development Corporation which are joint venture affiliates of the Company. He also serves as Chairman of the Board of BL CBP Ventures, Inc., Yuson Excellence Soberano, Inc., Yuson Huang Excellence Soberano, Inc., YHEST Realty and Development Corporation, CCLI Premier Hotels, Inc., YHES Premier Hotels, Inc., Cebu BL-Ramos Ventures, Inc., GGTT Realty Corporation, Icom Air Corporation, which are all joint venture affiliates of the Company and a Director of another corporation, Magspeak Nature Park, Inc.. Meanwhile, Jose Franco B. Soberano is concurrently a Director and Corporate Secretary of CLI Premier Hotels Intl., Inc., A.S. Fortuna Property Ventures, Inc., Cebu Landmasters Property Management, Inc., and Ming-Mori Development Corporation while Ma. Rosario B. Soberano serves as Director and Treasurer of CLI Premier Hotels Intl., Inc., A.S. Fortuna Property Ventures, Inc., Cebu Landmasters Property Management, Inc., Yuson Excellence Soberano, BL CBP Ventures, Inc., El Camino Developers Cebu, Inc., Yuson Huang Excellence Soberano, Inc., YHEST Realty and Development Corporation, CCLI Premier Hotels, Inc., YHES Premier Hotels, Inc., Cebu BL-Ramos Ventures, Inc., and Ming-Mori Development Corporation. All three key executives sit on the board of the parent company AB Soberano Holdings Corp.

There is no assurance that these other roles will not require significant time and commitment from the members of the Soberano Family which might reduce their time devoted to their current roles in the Company's business. If the Company loses the services of any such individuals or is unable to fill any other vacant key executive or management positions with qualified candidates, the business and operations of the Company may be adversely affected.

To minimize the risk, the Company maintains a competent and dynamic team of professional executives and managers engaged in the management of the business. Efforts to professionalize the Company over the last 18 years is evident as the Company has grown from two employees to a dynamic team of 709 employees instilled with the Company's brand of professional work ethics and strong corporate values as of May 31, 2022. The Company believes it maintains a positive and harmonious working relationship with its executives, members of senior management and other key officers.

The Company is a party to a number of related party transactions.

As of the date of this Prospectus, the Company has outstanding related-party balances to and from its joint ventures, Homeowners' Associations and Condominium Corporations ("HACCs"), and with key management personnel. These transactions are described under "Related Party Transactions" and the notes to the Company's audited consolidated financial statements appearing elsewhere in this Prospectus. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the CLI's majority shareholders.

These transactions may involve potential conflicts of interest between the Company and the CLI majority shareholders in a number of other areas relating to its businesses, including:

- major business combinations involving the Company and/or its affiliates;
- plans to develop the respective businesses of the Company and/or its affiliates; and

- business opportunities that may be attractive to the CLI majority shareholders and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

To mitigate this risk, the Company enters into related-party transactions at an arms-length basis.' Moreover, CLI directors and key management personnel are mandated to abstain and/or inhibit themselves from participating in discussions on a particular agenda when they have conflict of interest. The Board RPT Committee during its regular committee meetings take up and engage in the review and evaluation of related party transactions, including determination and resolution of potential conflicts of interest, if any. Quarterly RPT reports are presented by CLI's CFO and Compliance Officer, for information (if not breaching the RPT thresholds) and/or pre-approval (if breaching any of the RPT thresholds) of the Board RPT Committee. Matters approved by the RPT Committee are then endorsed for subsequent approval and/or ratification of CLI's Board of Directors.

The Company may be involved in legal and other proceedings arising out of its operations from time to time.

The Company may, in the future, be involved in disputes involving the construction and operation of its properties such as contractual disputes with contractors, suppliers, and homeowners, or disputes involving property damage or personal liability claims from time to time. If these disputes occur, it may result in delays in the Company's project development schedule, incurring substantial costs, and the diversion of Company resources and management's attention. In the course of its operations, the Company may also have disagreements with regulatory bodies, or local government units responsible for issuing the necessary permits or licenses for the Company's business, which may subject it to administrative proceedings and unfavorable decisions or result in fines or penalties and/or delay its projects. Should any of these occur, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

To mitigate the risk, the Company strives to maintain good relationships with customers, suppliers, contractors, regulators and other parties it regularly deals with. This is evident in the fact that, at present, the Company is not involved in any material litigation. The Company also endeavors to amicably settle legal proceedings, resort to alternative methods of dispute resolution, and exhaust all legal remedies available.

The Company works with various joint venture partners for some of its projects, whose interest may differ from that of the Company's.

As part of its land acquisition and development strategy, the Company has entered into joint ventures, and may continue to do so for its future projects and undertakings.

The Company and its joint venture partners share in the project in proportion to their respective contribution, and the Company is typically appointed as project developer and project manager having direct control and primary supervision over the conduct, management and operations of the project.

Because the joint venture partners or landowners may have economic or business interests that differ from the Company, the joint venture acquisitions and project developments involve additional risks. For example, joint venture partners or landowners may fail to meet their obligations, and dispute the distribution of their joint venture shares or the management and supervision exercised by the Company over the project. In cases where joint venture partners contribute the land for the project, titles to the property in the name of joint venture landowners may still be contested by third parties which will affect the right to possess and develop such land. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and the results of its operations.

To reduce this risk, the Company conducts due diligence of its joint ventures partners, and exclusively serves as the developer and project manager in all its joint venture undertakings.

RISKS RELATED TO THE PHILIPPINES

Economic Considerations

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts.

The regional Asian financial crisis in 1997 resulted in, among others, the depreciation of the Philippine peso, higher interest rates, slower growth, and a reduction in the country's credit ratings. Since the Asian financial crisis, the country experienced a ballooning budget deficit, volatile exchange rates and a relatively weak banking sector.

COVID-19 Pandemic

The Philippines has been one of the countries greatly affected by the COVID-19 pandemic. It brought a record-breaking economic contraction and high unemployment rates, fueling economic uncertainties. While the company has observed a drop in takeouts in 2020 by 11% from 2019, it has quickly recovered in 2021 by 47% from the previous year. The Company's reservation sales have been steadily rising especially at the height of the pandemic.

The increased rate of work from home arrangement post pandemic influenced the demand for housing especially in the economic and mid-level market. "Nesting at home" encouraged young professionals, individuals and families to consider investing in comfortable homes and good neighborhood that is conducive for working and learning. Supporting this observation is the study released by McKinsey and Company entitled "The consumer demand recovery and lasting effects of COVID-19" dated March 17, 2021, that indicates some behaviors formed during the pandemic will likely become the new normal like the work-from-home arrangement.

On the other hand, the Company's hotel business has been greatly affected by the COVID-19 pandemic as closing of borders, airports and local and international travel restrictions were implemented. The hotel operations were brought to the minimum to lessen operational expense while still providing the same level of service to its clients.

With the localized lockdowns and restrictions, employee mobility was one of the challenges faced by the Company. It has quickly adapted to digital means of managing day-to-day transactions as well as client communications. The Company's reliance on technology poses risks into data security, confidentiality and availability. Minimum security measures have been put in place to ensure the integrity of data in all databases and systems.

Amidst the threat of the pandemic to health and safety, the Company did not slow down all its construction works during the pandemic. The Company implemented strict health protocols for all employees on field and these are strictly observed. The health threats, though did not have a major effect on the project quality and timelines, have affected the delivery and issuance of government related permits and licenses. With the localized lockdowns and shortened work days in government agencies, the company had to contend with and make necessary adjustments in timeline expectations.

Political Considerations

The Philippines has from time to time experienced severe political and social instability, including acts of political violence. For example, in 2001, allegations of corruption against former President Joseph Estrada resulted in protracted televised impeachment proceedings against him. These proceedings were followed by widespread street demonstrations and a public withdrawal of support for Estrada by the military that eventually forced Estrada to resign. On July 27, 2003, over 270 military officers and soldiers conducted an unsuccessful *coup d'état* against Estrada's successor, President Gloria Macapagal-Arroyo, due to allegations of corruption. After the May 2004 elections, President Arroyo was re-elected and persistent accusations of corruption and electoral fraud were made against Arroyo during her second term. On February 24, 2006, another attempted coup d'état led President Arroyo to issue Proclamation 1017 (Proclamation declaring a State of National Emergency), which was criticized as a virtual declaration of martial law and portions of it were later declared unconstitutional by the

Supreme Court of the Philippines. On November 29, 2007, Senator Antonio Trillanes IV, a leader of the 2003 *coup d'état* who was elected to the Senate while in jail, led an armed occupation by military officers and soldiers of a luxury hotel in the Makati financial district and publicly called for President Arroyo's ouster. Senator Trillanes and his troops later surrendered.

On November 23, 2009, in the southern island of Mindanao's Maguindanao province, approximately 100 armed men allegedly affiliated with the Ampatuan political family murdered 58 persons, including members of the Mangudadatu family (the Ampatuans' political rivals in the province), lawyers, journalists and aides accompanying them, and motorists whose vehicles were behind the Mangudadatus' vehicles. This was the deadliest incident of political violence and of violence directed at journalists in recent history and President Arroyo sent hundreds of troops to and declared martial law over Maguindanao after the incident, although martial law has subsequently been lifted. On December 12, 2011, the Philippine House of Representatives initiated impeachment proceedings against Renato Corona, Chief Justice of the Supreme Court of the Philippines. The impeachment complaint accused Corona of improperly issuing decisions that favored former President Arroyo, as well as failure to disclose certain properties, in violation of rules applicable to all public employees and officials. The trial of Chief Justice Corona began in January 2012. On May 29, 2012, the impeachment court found Corona guilty of failing to disclose to the public his statement of assets, liabilities and net worth and removed Corona from his position as Chief Justice of the Supreme Court of the Philippines.

Moreover, since the beginning of the term of President Rodrigo R. Duterte, thousands were reportedly killed in his so-called war on drugs. These drug-related killings have been subject to legislative inquiries. As a result of the legislative inquiries, the Senate Committees on Justice and Human Right and on Public Order and Dangerous Drugs released a joint Committee Report No. 18 on December 7, 2017, raising standards of accountability while expressing support for the war against illegal drugs and criminality within boundaries of the law.

In 2018, the Supreme Court in a historic first ousted Chief Justice Maria Lourdes Sereno as a result of a *quo warranto* petition filed by the Solicitor General. The Supreme Court held that Chief Justice Sereno failed to regularly file her Statements of Assets, Liabilities, and Net Worth (SALNs) in violation of Constitutional and statutory requirements, thus being ineligible to be Chief Justice for lack of integrity. The ousted Chief Justice was widely perceived to have been hostile to the Duterte administration.

In May 2022, Ferdinand "Bongbong" Marcos, Jr. was elected President of the Philippines in a landslide victory where he obtained 31.6 million votes. Meanwhile, Sara Duterte, daughter of President Rodrigo Duterte, was elected Vice-President of the Philippines after garnering 32.2 million votes. The election of Bongbong Marcos comes 36 years after the 1986 People Power Revolution that ousted his father and late strongman Ferdinand Marcos and drove the Marcos family into exile. Despite his electoral win, a petition seeking to disqualify Bongbong Marcos as President has been filed before the Supreme Court.

There is no guarantee that future events will not cause political instability in the Philippines. Such instability may disrupt the country and its economy and could materially and adversely affect the business, prospects, financial condition and financial results of operations of the Company.

Terrorist acts, crimes, natural disasters and outbreaks of infectious diseases or fears of such occurrences in the Philippines

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine Army has been in conflict with the Abu Sayyaf organization which has been responsible for kidnapping and terrorist activities in the Philippines, and is alleged to have ties to the Al-Qaeda terrorist network. There have also been sporadic bombings and prominent kidnappings and slayings of foreigners in the Philippines, including the hijacking of a tourist bus carrying Hong Kong tourists that resulted in the deaths of several passengers. On September 2, 2016 an explosion rocked a night market in Davao City, leading to the death of at least 14 people and injuries to over 60 people. As a result of the bombing, Pres. Duterte declared a state of lawlessness in the country. The most recent terrorist activity occurred on December 28, 2016 where two explosions occurred during a town fiesta in Hilongos, Leyte, leaving at least 34 people injured.

There can be no assurance that the Philippines will not be subject to further acts of terrorism and violence in the future. Terrorist attacks have, in the past, had a material adverse effect on investment and confidence in, and the performance of, the Philippine economy and, in turn, the Company's business. The Company's current insurance policies do not cover terrorist attacks. Any terrorist attack or violent acts arising from, and leading to, instability and unrest, could cause interruption to parts of the Company's businesses and materially and adversely affect the Company's financial condition, results of operations and prospects.

The Philippines has experienced natural disasters over the years. A number of climate experts believe that climate change is affecting the intensity and severity of these natural calamities. The potential future effects of global climate change may include longer periods of drought in some regions and an increase in the number, duration and intensity of tropical storms in the country. Authorities may not be prepared or equipped to respond to such disasters.

On September 26, 2009, Typhoon Ketsana (Ondoy) resulted in 341.3 millimeters of rainfall in six hours, causing massive flooding that submerged several areas of Metro Manila and adjacent provinces. The typhoon caused 464 deaths and approximately ₱86 billion in property damage. On August 6, 2012, a monsoon hit Metro Manila and other nearby provinces which also caused severe flooding and landslides. Other calamities in recent years include unusually strong earthquakes and outbreaks of infectious diseases such as H1N1 influenza (commonly known as swine flu), as well as the COVID-19 pandemic.

In December 2011, Typhoon Washi (Sendong) caused massive flooding in the southern Philippine city of Cagayan de Oro, claiming thousands of lives and displacing tens of thousands of residents. On December 3, 2012, Typhoon Bopha struck the southern island of Mindanao as a Category 5 typhoon, triggering widespread flash flooding and landslides throughout the region. Typhoon Bopha killed over 1,000 people and caused an estimated ₱42 billion in property damage.

In October 2013, an earthquake occurred in Central Visayas, Philippines. The magnitude of the earthquake was recorded at moment magnitude (Mw) 7.2 at the epicenter which was located six kilometers southwest of Sagbayan town, at a depth of 12 kilometers. The seismic event affected the whole Central Visayas region, particularly Bohol and Cebu. According to official reports by the National Disaster Risk Reduction and Management Council, 198 people were reported dead, 11 were missing, and 651 were injured as a result of the earthquake, making it the deadliest earthquake in the Philippines in 23 years. In all, more than 53,000 structures were damaged or destroyed, including commercial buildings, malls, public edifices, hotels and churches. On February 10, 2017, a magnitude 6.7 earthquake hit Surigao City, Surigao del Norte in Northern Mindanao. Buildings, roads and bridges near the epicenter area were damaged and six people were reported dead, and over a hundred injured.

In addition, the central Philippines experienced a severe typhoon, Typhoon Haiyan (Yolanda), in November 2013 which caused extensive damage to infrastructure and properties, claimed 6,268 lives and displaced thousands of residents.

In January 2020, Taal Volcano erupted and caused millions of pesos worth of damage and displaced thousands of families.

In December 2021, Super Typhoon Odette brought about heavy rains and landslides in several provinces in the Visayas and Mindanao, causing ₱47 billion worth of damage and affecting hundreds of thousands of families.

It is not possible to predict the extent to which the Company's business will be affected by any future occurrences of natural calamities such as those described above or fears that such occurrences will take place, and there can be no assurance that any disruption to its business will not be protracted, that property will not be damaged and that any such damage will be completely covered by insurance or at all. Any such occurrences may disrupt the operations of the Company's business and could materially and adversely affect their business, financial condition and results of operations. Further, any such occurrences may also destabilize the Philippine economy and business environment, which could also materially and adversely affect the Company's financial position and results of operations.

RISKS RELATING TO THE BONDS

An active or liquid trading market for the Bonds may not develop.

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the Bonds will always be active or liquid. Even if the Bonds are listed on the PDEX, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

Holders of the Bonds may experience liquidity issues and potential loss of principal value if the Bonds are sold at the secondary market.

The market for the Bonds may be small and may not be liquid. As with all fixed income securities, the Bonds' market values move (either up or down) depending on the change in interest rates. Ordinarily, the value of fixed income instruments is inversely affected by interest rates. If interest rates increase following the Issue Date, the value of Bonds on the secondary market would generally be expected to decrease, all other things being equal, since the Bonds would then bear a comparatively a lower interest rate as against other instruments of the same tenor reflecting such new interest rates following such an increase in rates. Global events such as the war in Ukraine may give rise to increased volatility for instruments such as the Bonds in the secondary market that may result in the decrease in the market value of the Bonds or liquidity issues that may prevent the disposal of the Bonds. No assurance can be given regarding the liquidity of the market of Philippine debt instruments in general. Such liquidity fluctuations may also arise as a result of temporary exchange closures, defaults, clearing system shut-downs, settlement delays, strikes or civil unrest, among other things. Accordingly, there can be no assurance that a holder of the Bonds will be able to dispose of such instruments or direct the sale of the Bonds through the PDEX, at prices or at times at which such holder would wish to do so, or at all.

Holders of the Bonds may be unable to reinvest the proceeds of their Bonds following redemption by the Issuer.

The Issuer shall have the right, but not the obligation, to redeem in whole (and not in part), any outstanding Series B Bonds or Series C Bonds on the relevant Optional Redemption Dates. In the event that the Company exercises this option, the relevant series of the securities, such as the Bonds will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Bonds may not accord with the preference of individual holders of the securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time.

The Bonds may not be able to retain its credit rating.

There is no assurance that the rating of the Bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

The Bonds have no Preference under Article 2244(14) of the Civil Code of the Philippines.

No other loan or other debt facility currently or to be entered into by the Company shall have preference of priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority.

DETERMINATION OF OFFERING PRICE / ISSUE PRICE

The Bonds shall be issued at 100% of face value.

PLAN OF DISTRIBUTION

The Bonds will be offered to the public through Underwriters that may be engaged by the Issuer for each Offer. The Underwriters may appoint other underwriters (such as sub-underwriters) and selling agents to assist in the sale and distribution of the Bonds to the public. Any of the Underwriters, the other underwriters and the selling agents may acquire for their own account a portion of the Bonds.

The background information on the Underwriters who will be appointed for a particular Offer, the underwriting arrangements between such Underwriters and the Issuer, and other relevant details in respect of the Offer, shall be set out in the relevant Offer Supplement under “*Plan of Distribution*”.

USE OF PROCEEDS

The specific terms of the Bonds and the relevant Offer will be determined by the Issuer considering its requirements and the prevailing market conditions and shall be provided in an Offer Supplement to be circulated at the time of the relevant Offer. Hence, the intended use of proceeds as may be raised in an Offer shall be set out in the relevant Offer Supplement under “*Use of Proceeds*”.

DESCRIPTION OF THE BONDS

The specific terms of the Bonds and the relevant Offer will be determined by the Issuer considering its requirements and the prevailing market conditions and shall be provided in an Offer Supplement to be circulated at the time of the relevant Offer. Hence, the more detailed terms and conditions of the Bonds and the relevant Offer shall be discussed in the “*Description of the Bonds*” as set out in the relevant Offer Supplement.

However, any such discussion under “*Description of the Bonds*” does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors should carefully review the Articles of Incorporation and By-Laws (each as amended to date) of the Issuer, the disclosures of the Issuer, the corporate resolutions in relation to a particular Offer, the information contained in this Prospectus, the relevant Offer Supplement and other transaction documents relevant to each Offer. Prospective holders of the Bonds should perform their own independent investigation and analysis of the Issuer and the Bonds. Prospective holders of the Bonds should make their own appraisal of the Issuer and the Offer and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in each Offer. They must not rely solely on any statement or on the significance, adequacy or accuracy of any information contained herein. The information and data contained in the “*Description of the Bonds*” are not a substitute for the prospective investor’s independent evaluation and analysis. Prospective holders of the Bonds are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds being offered.

DESCRIPTION OF BUSINESS

Business Development

Cebu Landmasters Inc. (“**CLI**” or the “**Company**”) is the leading residential developer in Visayas and Mindanao. The Company was incorporated on September 26, 2003. On June 2, 2017, the Company was listed on the Philippine Stock Exchange (“**PSE**”) with “**CLI**” as its ticker symbol. A total of 430,000,000 shares were issued and fully subscribed at ₱5.00 per share.

To date, CLI has close to 100 projects in different development stages and established a diverse portfolio of residences, offices, hotels, mixed-use properties, and townships across 15 key cities in the VisMin regions.

A recent market study by Santos Knight Frank (“**SKF**”) named CLI as the top residential developer in the Visayas and Mindanao (“**VisMin**”) in 2021 with the largest market share among real estate firms. CLI dominates the condominium and subdivision market by 33% and 26% respectively. The study also reported CLI as the fastest seller in the VisMin market with 83% absorption rate outpacing the industry average of 65% due to a well-trusted and recognized brand by both local landowners and buyers. Sales are mostly domestic with foreign sales accounting to around 5% of total sales.

CLI continues to acquire high value landbank to drive continued growth of revenues in the coming years. As of December 31, 2021, the Company has a net worth of ₱17,932,181,524 and 103 hectares of land for development in 15 VisMin development locations. In the first quarter ending March 31, 2022, CLI reported a net worth of ₱18,785,688,915 on a consolidated basis and ₱11,672,179,682 for the Company. It has acquired 41 hectares of land in 2021, raising the entire landbank value to ₱12 billion. Furthermore, the Company has a number of significant land purchases lined up in Cebu, Iloilo, Cagayan de Oro (“**CDO**”) and Davao, with additional development locations such as Butuan and General Santos City on the horizon.

Business of the Issuer

The Company’s operating segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets:

- Real Estate Segment – covers the development and sale of residential and office units to individual and corporate buyers.
- Rental Segment – includes leasing of office and commercial spaces to corporate organizations.
- Management Services Segment – focuses on the management of real estate projects and upkeep services to condominium corporations and housing associations.
- Hotel Operations Segment – related to the management of hotel business operations that caters hotel guest.

The following table sets forth each segment’s contribution to the Company’s total revenues for the years ended December 31, 2021, 2020 and 2019:

Business Segment	For the years ended December 31					
	2021		2020		2019	
	In ₱	%	In ₱	%	In ₱	%
Real Estate	10,912,552,965	97.49%	8,178,819,043	97.50%	8,457,770,995	98.26%
Rental	76,879,316	0.69%	61,528,393	0.73%	63,159,194	0.73%
Management Services	155,722,407	1.39%	93,663,461	1.12%	77,792,261	0.90%
Hotel Operations	48,683,577	0.43%	54,558,131	0.65%	8,524,756	0.10%
Total	11,193,838,265	100.00%	8,388,569,028	100.00%	8,607,247,206	100.00%

Strengthening leadership in the Visayas and Mindanao Region

CLI has rapidly grown from its humble beginnings on a single 3-hectare land in Balamban. The Company has evolved into a fully integrated real estate developer with a growing, highly varied portfolio of residences, offices, retail spaces, hotels, mixed-use developments, and townships spanning Visayas and Mindanao.

The Company has successfully expanded its residential offerings into the high-end segment with the Premier Masters selections. Its lineup of premium projects includes high-rises such as Base Line Premier, 38 Park Avenue, Astra Center and Paragon Center that are designed for world-class living in prime urban locations. Garden Series, which promises open spaces and well-designed homes like Mivela Garden and Velmiro Greens Bohol cater to the middle market. Casa Mira remains to be the Company's flagship business as it caters to the affordable and economic housing sector and the Villa Casita line serves the socialized housing market.



Venturing into township developments

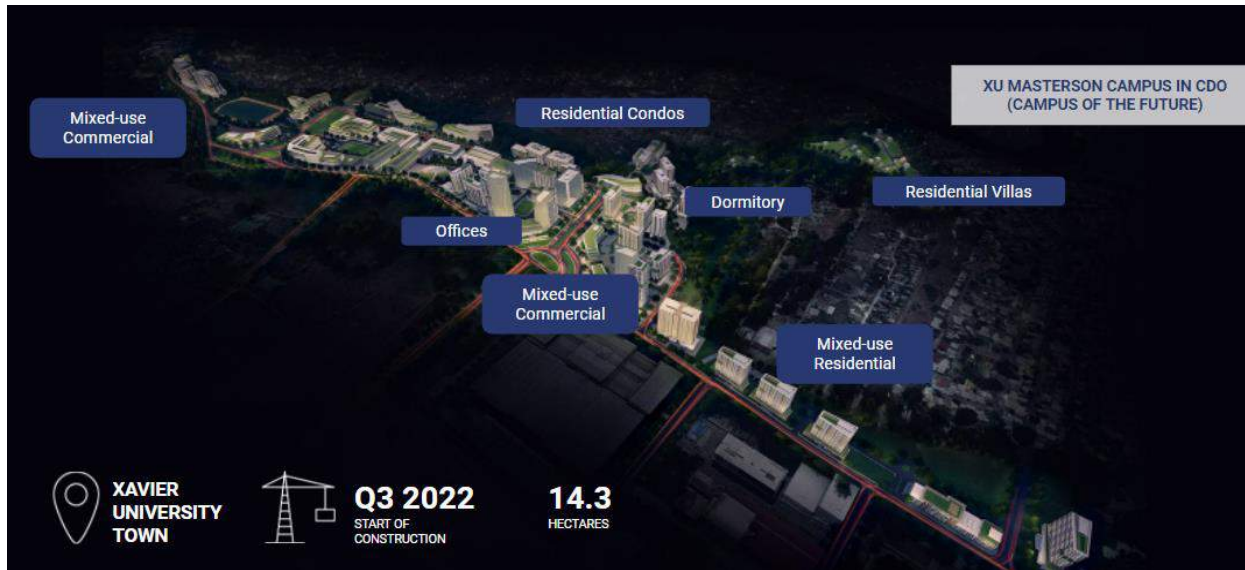
With the establishment of Davao Global Township, a 22-hectare estate in Matina, Davao, in 2018, CLI began to move into bigger ventures. CLI immediately started land development in 2019 and is currently nearly completed, allowing for the start of Phase 1 operations which includes the City Center, and Cultural center, Pavillon, the launch and start of pre-selling for East Village condominiums, and lot sales.



To further expand on townships, CLI has also ventured into a reclamation project with the government of Minglanilla, Cebu to reclaim and develop 100 hectares of land into a business park that integrates residential, commercial, and light industrial through the Company's joint venture ("JV") project named Ming-Mori Development Corporation ("MMDC"). During the year, CLI increased its stake in MMDC from 20% to 78%. This is expected to streamline CLI's operations as the developer and project manager of the Minglanilla Techno Business Park (Ming-Mori). In June 2021, MMDC obtained project approval from the Philippine Reclamation Authority ("PRA"), which coordinates and administers reclamation projects nationwide. The approval was the culmination of a comprehensive and stringent five-year review. This included the issuance of an Environmental Compliance Certificate by the Department of Environment and Natural Resources, which required consultations with a wide range of stakeholders and the submission of development objectives showing its responsiveness to the environment. In October 2021, PRA issued its Notice to Proceed with the reclamation.



In 2021, CLI signed a Memorandum of Agreement ("MOA") to acquire 14.3 hectares of Xavier University – Ateneo de Cagayan's Manresa Property in uptown CDO. Proceeds of which will be used by Xavier to develop the new Xavier University Masterson Campus. CLI plans to build developments as an essential part of the master plan, integrated into this university community. The new 21-hectare Xavier University Masterson Campus is envisioned to catalyze further development of CDO as Northern Mindanao's education hub with a sustainable and New Normal-ready Campus Master Plan.



The Company also has ongoing negotiations with landowners in Cebu and Bacolod to further strengthen its play on estate developments.

Distribution methods of the products or services

Residential products from the Company are offered to a broad variety of customers by several sales teams.

CLI has one of the industry-leading sales support teams. With over 66 sales support personnel, this team collaborates, coordinates, and supports the over 11,000-strong accredited broker/agent network of CLI. This is CLI's strategy in working harmoniously with the seller community by assisting the brokers 24/7 from sales origination to closing. CLI works alongside brokers in addressing the client inquiries until closing.

Completed Projects

Vertical and horizontal residential, mixed-use, office, hotel, and retail projects make up the 35 completed developments of the Company.

The Company has successfully completed 30 residential projects in Cebu, Bacolod, Cagayan de Oro, and Davao. The three-tower MesaVerte Garden Residences, which was one of these projects and was its first expansion project outside of its native Cebu, was already turned over and was completed in 2020. MesaTierra Garden Residences, the first of the numerous projects in Davao, was also finished in 2021. Additionally turning over in 2022 is MesaVirre Garden Residences A & B in Bacolod. As of the first quarter of 2022, these completed residential developments were 96 percent sold out.

Aside from its residential developments, CLI also owns three operational office buildings with a combined Gross Leasable Area of almost 29,000 sq.m. The primary office building for the Company and the place where CLI's headquarters are situated is Park Centrale in IT Park, Cebu. Since it was completed, the development has remained 100% full occupancy and was awarded as the Best Commercial Development in Cebu by the Philippine Property Awards in 2014.

Latitude Corporate Center which was recently turned over in 2020 stands 24 storeys high at the heart of Cebu's business district. CLI expects sectors like IT-BPO to gradually return to office spaces as the economy has been reopening. Latitude Corporate Center is a 5-Star BERDE-certified green building, which puts the Company in a good position to meet this demand.

In 2019, CLI opened its first hotel project with Citadines Cebu City in partnership with The Ascott Limited. Citadines Cebu City is a 180-room serviced residence strategically located within CLI's mixed-use lifestyle hub in midtown Cebu, the Base Line Center.

CLI has more in store for the VisMin real estate market, as it aims to introduce more projects in key locations, expand to new areas in the region, and tap into diverse markets.

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
1.	San Jose Maria Village – Balamban	Balamban, Cebu	Horizontal	Residential	Mid-Market	231	204	2006
2.	San Jose Maria Village – Minglanilla	Minglanilla, Cebu	Horizontal	Residential	Mid-Market	145	145	2008
3.	San Jose Maria Village – Talisay	Talisay City, Cebu	Horizontal	Residential	Mid-Market	96	96	2012
4.	San Jose Maria Village – Toledo	Toledo City, Cebu	Horizontal	Residential	Mid-Market	144	104	2010
5.	Villa Casita Balamban	Balamban, Cebu	Horizontal	Residential	Socialized	101	101	2015
6.	Midori Plains	Minglanilla, Cebu	Horizontal	Residential	Mid-Market	370	370	2014
7.	Asia Premier Residences	Cebu City	Vertical	Residential	High-End	88	88	2012
8.	Base Line Residences	Cebu City	Vertical	Residential	High-End	201	201	2013
9.	Midori Residences	Mandaue City, Cebu	Vertical	Residential	Mid-Market	396	396	2014
10.	Park Centrale Tower	Cebu City	Vertical	Office	Office	55	55	2015
11.	Mivesa Garden Residences (Phase 1)	Cebu City	Vertical	Residential	Mid-Market	479	473	2016
12.	Mivesa Garden Residences (Phase 2)	Cebu City	Vertical	Residential	Mid-Market	458	454	2016
13.	Velmiro Heights (Phase 1)	Minglanilla, Cebu	Horizontal	Residential	Mid-Market	348	346	2016
14.	Casa Mira Linao (Phase 1 and 2)	Minglanilla, Cebu	Horizontal	Residential	Economic	725	724	2016
15.	Casa Mira Towers Labangon Tower 1	Cebu City	Vertical	Residential	Economic	272	270	2018
16.	Casa Mira Towers Labangon Tower 2	Cebu City	Vertical	Residential	Economic	414	408	2019
17.	Casa Mira South Phase 1A	Naga, Cebu	Horizontal	Residential	Economic	342	342	2018
18.	Casa Mira South Phase 1B	Naga, Cebu	Horizontal	Residential	Economic	667	667	2018

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
19.	Casa Mira South Phase 2A	Naga, Cebu	Horizontal	Residential	Economic	494	494	2019
20.	Casa Mira South Phase 2B	Naga, Cebu	Horizontal	Residential	Economic	250	250	2019
21.	MesaVerte Residences Tower 1	CDO City, Misamis Oriental	Vertical	Residential	Mid-Market	252	252	2019
22.	MesaVerte Residences Tower 2	CDO City, Misamis Oriental	Vertical	Residential	Mid-Market	252	252	2019
23.	Base Line Center	Cebu City	Vertical	Mixed-Use	Mixed-Use	-	-	-
24.	Base Line Retail	Cebu City	Vertical	Retail	Retail	5,918 sq.m.		2019
25.	Citadines Cebu City	Cebu City	Vertical	Hotel	Hotel	92	89	2019
26.	Base Line HQ	Cebu City	Vertical	Office	Office	64	57	2019
27.	Base Line Premier	Cebu City	Vertical	Residential	High-end	379	371	2019
28.	MesaVerte Residences Tower 3	CDO City, Misamis Oriental	Vertical	Residential	Mid-Market	294	294	2019
29.	Guadalupe Pinamalayan Socialized Housing Project	Mindoro	Horizontal	Residential	Socialized	338	154	2019
30.	Latitude Corporate Center	Cebu City	Vertical	Office	Office	58	58	2020
31.	Villa Casita North	Bogo City, Cebu	Horizontal	Residential	Socialized	686	655	2020
32.	Mivesa Garden Residences (Phase 3)	Cebu City	Vertical	Residential	Mid-market	576	562	2020
33.	MesaTierra Garden Residences	Davao City	Vertical	Residential	Mid-market	677	665	2021
34.	Casa Mira Coast	Dumaguete City	Horizontal	Residential	Economic	543	522	2021
35.	MesaVirre Building A	Bacolod City, Negros Occidental	Vertical	Residential	Mid-market	294	293	2021

Ongoing Projects (under construction)

CLI has 55 ongoing projects in various stages of construction as of the first quarter of 2022. These projects are spread out over 15 key regions in Visayas and Mindanao. Construction is now in full swing

at all of the Company's construction sites as of 2021, after the pandemic-related lockdown has eased and the economy has reopened.

Thirty-three residential projects totaling a project value of ₱62.7 billion are among the projects that are currently being developed. These projects have 17, 974 units of which eighty-six percent were already sold. CLI prides itself to sell projects at higher velocity, turn-over quickly on its developments, and move swiftly from pre-selling to construction and delivery. Continuing sales efforts are being made to sell out the projects as they get closer to completion. The Company's optimal market acceptance is known to the 1,785 real estate brokers and 11,000 sales agents across the VisMin regions who continuously support CLI.

Investing in capital to support recurring revenue from both hospitality and leasing businesses is one of the strategies CLI foresees to be the region's future growth. CLI's long-term strategy is to build up its office, retail, and hospitality portfolio's GLA to 200,000 sq.m. – eventually contributing to 10% of our growing top line within the next five years.

The Company is currently constructing nine hospitality projects with 1,565 room keys and various office and commercial projects totaling 47,000 Gross Leasable Area. More projects are in the pipeline at the planning and design stage to meet CLI's strategy to continue its build-up of its recurring income portfolio.

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
1.	Base Line Prestige	Cebu City	Vertical	Residential	High-end	351	347	2023
2.	Base Line Lyf Hotel	Cebu City	Vertical	Hotel	Hotel	153	-	2022
3.	Astra Corporate Center	Mandaue City, Cebu	Vertical	Office	Office	15,906 sq.m.		2025
4.	Astra Lifestyle Mall	Mandaue City, Cebu	Vertical	Retail	Retail	13,464 sq.m.		2023
5.	Radisson Red	Mandaue City, Cebu	Vertical	Hotel	Hotel	146		2023
6.	One Astra Place Residences 1	Mandaue City, Cebu	Vertical	Residential	High-end	478	474	2024
7.	One Astra Place Residences 2	Mandaue City, Cebu	Vertical	Residential	High-end	533	507	2025
8.	MesaVirre Building B	Bacolod City, Negros Occidental	Vertical	Residential	Mid-market	442	442	2021
9.	MesaVirre Building C	Bacolod City, Negros Occidental	Vertical	Residential	Mid-market	336	334	2023
10.	38 Park Avenue Mixed-Use	Cebu City	Vertical	Mixed-Use	Mixed-Use			2022
11.	38 Park Avenue	Cebu City	Vertical	Residential	High-end	764	729	2022
12.	The Park @ 38 Park Avenue	Cebu City	Vertical	Retail	Retail	1,899 sq.m.		2022
13.	Casa Mira Towers Guadalupe Tower 1	Cebu City	Vertical	Residential	Economic	544	526	2022
14.	Velmiro Uptown CDO	CDO City, Misamis Oriental	Horizontal	Residential	Mid-Market	395	392	2023

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
15.	Velmiro Plains Bacolod	Bacolod City, Negros Occidental	Horizontal	Residential	Mid-Market	342	283	2023
16.	Casa Mira Bacolod	Bacolod City, Negros Occidental	Horizontal	Residential	Economic	431	340	2023
17.	Davao Global Township	Davao City	Estate	Estate	Estate			
18.	Davao Global Township - Mall	Davao City	Vertical	Retail	Retail			2023
19.	Paragon Center	Davao City	Vertical	Mixed-Use	Mixed-Use	6,650 sq.m.		2024
20.	One Paragon Convention Center	Davao City	Vertical	Retail	Retail			2024
21.	Paragon Retail	Davao City	Vertical	Retail	Retail			2024
22.	Citadines Paragon	Davao City	Vertical	Hotel	Hotel	132	57	2024
23.	One Paragon Place	Davao City	Vertical	Residential	High-end	554	551	2024
24.	Casa Mira Towers CDO Tower 1	CDO City, Misamis Oriental	Vertical	Residential	Economic	444	444	2023
25.	Casa Mira Towers CDO Tower 2	CDO City, Misamis Oriental	Vertical	Residential	Economic	542	542	2023
26.	Casa Mira Towers Mandaue (Phase 1)	Mandaue City, Cebu	Vertical	Residential	Economic	821	734	2023
27.	Patria de Cebu	Cebu City	Vertical	Commercial	Commercial	5,186 sq.m.		2024
28.	Patria de Cebu Office	Cebu City	Vertical	Office	Office			2025
29.	Patria de Cebu Hotel	Cebu City	Vertical	Hotel	Hotel			2024
30.	Citadines Bacolod	Bacolod City, Negros Occidental	Vertical	Hotel	Hotel	200		2023
31.	Mivela Garden Residences	Cebu City	Vertical	Residential	Mid-Market	1,585	1,335	2023
32.	Velmiro Greens Bohol (Phase 1)	Davis, Bohol	Horizontal	Residential	Mid-Market	204	203	2023
33.	Casa Mira Iloilo	Iloilo City, Panay	Horizontal	Residential	Economic	1,109	1096	2023
34.	Casa Mira Towers Mandaue Tower 2	Mandaue City, Cebu	Vertical	Residential	Economic	407	257	2023
35.	Casa Mira South (Phase 3B)	Naga, Cebu	Horizontal	Residential	Economic	456	456	2022
36.	Casa Mira Towers Guadalupe Tower 2	Cebu City	Vertical	Residential	Economic	234	221	2023

No.	Project	Location	Construction	Type	Use	No. of Units	Sold Units	Completion
37.	Casa Mira Dumaguete (Phase 1)	Dumaguete City, Negros Oriental	Horizontal	Residential	Economic	517	431	2024
38.	Casa Mira Towers LPU	Davao City	Vertical	Residential	Economic	930	928	2024
39.	Casa Mira Linao (Phase 3)	Minglanilla, Cebu	Horizontal	Residential	Economic	126	126	2024
40.	Casa Mira South (Phase 3A)	Naga, Cebu	Horizontal	Residential	Economic	162	161	2022
41.	Velmiro Heights CDO	CDO	Horizontal	Residential	Mid-market	518	515	2024
42.	CMT - Guadalupe T3	Cebu City	Vertical	Residential	Economic	453	256	2025
43.	Mandtra Residences T1	Mandaue City, Cebu	Vertical	Residential	High-end	595	526	2025
44.	Terranza Residences	Iloilo City	Vertical	Residential	High-end	600	510	2025
45.	Casa Mira Ormoc	Ormoc	Horizontal	Residential	Economic	685	433	2024
46.	Casa Mira South Phase 4A	Naga, Cebu	Horizontal	Residential	Economic	666	664	2024
47.	Casa Mira South Phase 4B	Naga, Cebu	Horizontal	Residential	Economic	198	197	2024
48.	Mandtra Residences T3	Mandaue City, Cebu	Vertical	Residential	High-end	599	155	2025
49.	Casa Mira Towers - Bacolod	Bacolod City, Negros Occidental	Vertical	Residential	Economic	706	307	2024
50.	Costa Mira Beachtown Mactan	Mactan, Cebu	Vertical	Residential	High-end	659	654	2026
51.	Masters' Tower	CBP Cebu	Vertical	Office	Office	10,500 sq.m. GLA		2026
52.	Sofitel Cebu	CBP Cebu	Vertical	Hotel	Hotel	195		2026
53.	The Pad	Banilad, Cebu	Vertical	Dorm	Dorm	312		2023
54.	Abaca Resort	Mactan, Cebu	Vertical	Resort	Resort	125		2025
55.	Magspeak Mountain Resort	Cebu	Horizontal	Resort	Resort	30		2023

Notes:

*Citadines Cebu City has total of 180 condotel units with 74 units in inventory for sale.

**Mixed-use – individual components already describe its respective number of units, hotel keys and gross leasable area

***Not applicable as the project relates to pure hotel operations

Newly launched and Pipeline projects for 2022

CLI surpassed past performance records despite the ongoing pandemic. The Company hit record reservation sales for residential properties at ₱16.5 billion in 2021 – a 16% increase compared to ₱14.5 billion in 2020. CLI is at the forefront of meeting the sustained housing demand in VisMin as it launched

10 projects worth ₱18 billion in 2021 and provided 3,865 new residential units. This number of launches surpassed the eight projects which was unveiled during the pandemic year of 2020 worth ₱11.5 billion.

In 2022, CLI has a solid pipeline of over 21 projects over the next two years, this includes 19 residential projects featuring wide range of products and markets to be located in various key areas in the Visayas and Mindanao region, Astra Corporate Center an office condo in Cebu, and lot sales in Davao Global Township. To continue growing its recurring income developments, CLI will also begin construction of the commercial areas in the Phase 1 of Davao Global Township, which comprises the Cultural Center, City Center, and Pavilion.

CLI reported strong sales take-up in the first three months of 2022, reaching ₱4.5 billion, or 36% more than Q1 2021's ₱3.3 billion. The Company has successfully launched four projects in Dumaguete, Bohol, Cebu and Davao. The biggest contributor was The East Village, the first residential development of CLI's Davao Global Township (DGT), which was recognized as the Best Township in Asia by PropertyGuru Asia Property Awards in 2021, made the largest contribution. Three of the residential community's six towers sold out in four days, prompting the launch of the fourth tower in Q2 2022.

CLI continues to acquire high value landbank to drive continued growth of revenues in the coming years. As of December 31, 2021, the Company has 103 hectares of land for development in 15 VisMin development locations. It acquired 41 hectares of land in 2021, raising the entire landbank value to ₱12 billion. Furthermore, the Company has a number of significant land purchases lined up in Cebu, Iloilo, CDO and Davao, with additional development locations such as Butuan and General Santos City on the horizon.

Residential Developments

Residential developments make up the majority of the Company's operations and project portfolio. The aim of CLI is to address the demand for quality-built, cost-effective value for money housing and well-planned communities. The Company continues to launch new housing projects in response to the housing backlog and heightened desire for safe and secure homes equipped for the needs of the new normal.

Based on the markets they are targeting, the Company's housing developments are divided into brands. The Company's fastest-growing and most popular brand is Casa Mira, whose units typically cost ₱110,000 per sq.m. or ₱1.7 million per housing unit and cater to the housing needs of the affordable market. Over time, the Casa Mira series has proved to be a valuable asset, maintaining the largest residential market share in Visayas and Mindanao. Its success has largely been credited to its great value, providing residents with reasonably priced homes in beautiful communities with the added benefit of several amenities usually packaged with higher-priced developments. These include a clubhouse with multi-purpose halls, chapel, swimming pool, basketball court, and children's playground.

With selling prices starting at 120,000 per sq.m. or housing unit pricing ranging from ₱2.5 million to ₱3.2 million, the Garden series is another potent brand of CLI that targets the mid-market. Subdivisions under this brand are called Velmiro, while condominium projects are known as Garden Residences. Gardens series prides itself in providing an impressive host of amenities that include a swimming pool, multi-level clubhouse with function rooms, fitness gym, basketball court, and playgrounds situated in expansive landscaped park.

On the other hand, Premier Masters are high-end residential buildings with prices starting at ₱140,000 per sq.m. These masterpieces of CLI are located in prestigious urban areas, offering a luxurious lifestyle and world-class living. These developments include Terranza Residences in Iloilo, Costa Mira Mactan, and The 38 Park in I.T. Park Cebu.

Lastly, Villa Casita, are socialized housing units with prices not exceeding ₱480,000. Through CLI's socialized housing projects, the Company can provide decent and affordable housing to the least of the market segment.

The list below categorizes the projects according to market segments:

Horizontal (Subdivision) Projects:

- Socialized: Villa Casita North and Villa Casita Balamban in Cebu; Guadalupe Pinamalayan Socialized Housing Project
- Economic: Casa Mira Linao and Casa Mira South in Cebu; Casa Mira Coast and Casa Mira Homes Dumaguete in Negros Oriental; Casa Mira Bacolod in Negros Occidental; and Casa Mira Iloilo in Panay
- Mid-Market: San Jose Maria Villages, Midori Plains and Velmiro Heights in Cebu; Velmiro Uptown CDO in Misamis Oriental; and Velmiro Plains Bacolod in Negros Occidental; Velmiro Greens Bohol

Vertical (Condominium) Projects:

- Economic: Casa Mira Towers Labangon, Casa Mira Towers Guadalupe and Casa Mira Towers Mandaue in Cebu; Casa Mira Towers CDO in Misamis Oriental; and Casa Mira Towers LPU in Davao
- Mid-Market: Midori Residences, Mivesa Garden Residences and Mivela Garden Residences in Cebu; MesaVerte Garden Residences CDO; MesaTierra Garden Residences in Davao; and MesaVirre Garden Residences in Bacolod
- High-End: Asia Premier Residences, Base Line Residences, Base Line Premier, Base Line Prestige, 38 Park Avenue, and One Astra Place in Cebu; and One Paragon Place in Davao, Costa Mira Beachtown in Cebu

Horizontal (Subdivision) Projects

Villa Casita Balamban

Launched in 2014, CLI's first socialized housing development is located at Buanoy, Balamban, Cebu. With a land area of 8,128 sq.m., it consists of 101 row house units having a lot area of 36 sq.m. and a floor area of 22.65 sq.m. Pre-sold units were priced at about ₱400,000. It is fully developed, completed and sold out.

Villa Casita North

The second project of the Company's Villa Casita brand offers its homeowners well-designed homes, well-planned site development, and sizable green spaces for parks and community facilities traditionally found only in mid-market or upscale developments. The development is designed to provide over 686 homes to families in the North of Cebu with a selling price of ₱480,000 per unit.

Guadalupe Pinamalayan Socialized Housing Project

This socialized housing project in Pinamalayan, Oriental Mindoro, was started in 2015 in collaboration with Habitat for Humanity. The 3.9-hectare initiative includes 337 single-story and detached units, with 77 of them going to Habitat for Humanity recipients.

Casa Mira Linao

Launched in 2015, Casa Mira Linao is CLI's first foray into economic housing development. The project is located in the hills of Linao-Lipata, Minglanilla, Cebu on a 12-hectare property. Phase 1 and

2 comprises 725 townhouse units with floor areas ranging from 37 to 62 sq.m and average selling price starting from ₱900,000 to ₱1.40 million. It is fully developed, completed and sold out.

In 2020, CLI launched Casa Mira Linao Phase 3 composing 120 single-detached townhouse units with 59 sq.m. in floor areas at an average selling price of ₱3.50 million.

Casa Mira South

Launched in 2016, this economic housing development is located in the Naga City and the Municipality of San Fernando, both in Cebu. This 32-hectare community built on a rolling terrain that allows for expansive views and generous open spaces and amenities is divided into four phases consisting of 3,338 townhouse units, with each unit having floor areas ranging from 36 to 59 sq.m. Average pre-selling price ranges from ₱1.10 million to ₱1.60 million. Phase 1 and 2 are completed and turnover to unit owners is almost complete. In 2018, it was awarded as the Best Housing Development in Cebu at the Philippine Property Awards.

In 2020, CLI launched Casa Mira South Phase 3A and Phase 3B with 618 units at an average pre-selling price of ₱1.20 million to ₱2.60 million. The expansion projects are both fully sold during the year while Phase 4 are still being marketed.

Casa Mira Coast

Casa Mira Coast, a residential economic subdivision located in Barangay Maslong, Sibulan, Negros Oriental, is a 5.3-hectare project that consists of 543 townhouses selling at ₱1.60 million to ₱2.20 million. It offers amenities that are not only top of the line but also affordable. Apart from this, the project has a breathtaking view of the nearby coast and is only 2.0 km away from the Dumaguete Airport.

Casa Mira Dumaguete

Launched in 2020, the second Casa Mira project in Negros Oriental is located in a 7-hectare land in Junob, Dumaguete City. Its modern architecture and design were inspired by the classic American Country Home. This development is split into two phases with a total of 586 house and lot units. Phase 1 was already launched during the year 2021 with selling prices ranging from ₱2.20 million to ₱3.70 million per house and lot while Phase 2 is currently in the planning stage. Average floor range is 60 to 135 sq.m.

Casa Mira Bacolod

Casa Mira Bacolod is the 7th Casa Mira project of CLI with 431 house and lot units. With its accessible location, homeowners enjoy more the conveniences brought by business establishments, malls, schools, churches and major institutions. The development offers generous open spaces and well-planned amenities at an affordable price ranging from ₱1.70 million to ₱2.2 million. The well-designed houses range from 40 to 46 sq.m. in floor area.

Casa Mira Homes Iloilo

This 14-hectare community features a contemporary mix of townhouses and single detached units inspired by the cultural evidence of the Spanish colonial era that has been part of our Philippine history. Its design and architecture mimic that of the Bahay na Bato that is one of the most iconic historical places in Iloilo. In 2020, CLI launched its first project in Iloilo City, Panay comprising 1,188 house and lots with a typical floor area of 48 sq.m. and average pre-selling price of ₱1.80 million to ₱2.7 million.

Casa Mira Homes Ormoc

Casa Mira Ormoc is the first Casa Mira brand in Leyte. It has a very strategic location and it offers affordable townhouse units with very generous payment schemes. Casa Mira continues to expand to major key cities in Visayas and Mindanao and launching its first project in Eastern Visayas. Casa Mira Homes Ormoc is a 9.13-hectare residential subdivision in Brgy. Luna Ormoc City.

San Jose Maria Villages ("SJMV")

This series of villages located in the south and southwest of Cebu City paved the way for CLI in providing affordable mid-cost quality homes to the middle market segment. SJMV offered a mix of single-detached, semi-attached townhouses and lot-only choices to the buyers. SJMV-Balamban is a 3.0-hectare development with 231 units launched in 2013. SJMV-Minglanilla is a 2.9-hectare development with 145 units launched in 2007. SJMV-Toledo is a 3.0-hectare development with 144 units launched in 2009. SJMV-Talisay is a 1.9-hectare development with 96 units launched in 2010. Lots were pre-sold at ₱7,000 per sq.m., while house and lot units averaged at ₱1.40 million to ₱3.60 million. All SJMV projects are fully developed and completed, with both SJMV-Minglanilla and SJMV-Talisay sold out.

Midori Plains

Launched in 2011, this mid-market development is located in the Municipality of Minglanilla, Cebu. This 7.0-hectare Asian-inspired subdivision south of Cebu City has 370 residential units ranging from townhouse units with 40-sq.m. floor areas to single-detached units with an area of 77 sq.m. each. It is fully developed, completed and sold-out.

Velmiro Heights Cebu

This mid-market development was launched in 2013 and is located on an 8.80-hectare property in Tunghaan, Minglanilla, Cebu. This 428-unit development offers 11 different house models, ranging from townhouses to single-detached, two-storey units. Townhouses have 60-sq.m. floor areas, while the largest unit contained 131 sq.m. of living space. Townhouses were pre-sold at an average price of ₱1.70 million while the largest single-detached unit is about ₱5.30 million. Phase 1 is now fully developed, completed, and sold, while Phase 2's 81 units are still on the market.

Velmiro Uptown CDO

Launched in 2017, Velmiro Uptown is located in Upper Canituan, CDO City, providing easy access to various establishments in the city. This 14-hectare mid-market residential subdivision has a total 396 house and lot units nestled at a prime spot in CDO City. The project offers a mix of units from townhouses to single detached houses with floor areas 60 to 106 sq.m. respectively. The average selling price ranges from ₱2.40 million to ₱5.0 million. The project is set to be completed by 2022.

Velmiro Plains Bacolod

Bringing new heights to the City of Smiles in 2019 is Velmiro Plains Bacolod. This 8.3-hectare development is a modern mid-market residential community comprising 342 house and lot units with floor area ranging from 60 sq.m. to 106 sq.m. Located strategically at Granada, Bacolod City, the average selling price ranges from ₱2.60 million to ₱4.20 million per house and lot.

Velmiro Greens Bohol

CLI's first development in this 3.6 ha property in Dauis Panglao, Bohol is accessible to schools, places of worship, tourist spots, malls, beach resorts and other major establishments. The project offers a mix of units from townhouses to single detached houses with average floor area ranging from 48 sq.m. to 67 sq.m. Average prices range from ₱2.30 million to ₱3.6 million per house and lot.

Vertical (Condominium) Projects

Casa Mira Towers Labangon

Launched in 2016, this is CLI's primary venture in the economic segment of residential condominiums. The project is located in Labangon, Cebu City on a 3,681-sq.m. property that used to be the location of the old CLI headquarters. This two-tower development on top of a commercial podium has a total of 686 residential units. It offers 20-sq.m. studio units and 1-bedroom units averaging 37 sq.m. units

pre-sold at ₱1.25 million to ₱1.43 million. Construction for the development started in 2016 and completed in 2018.

Casa Mira Towers Guadalupe

Located across the Fooda intersection of V. Ramos St., and V. Rama, is beautifully designed three-towered residential condominium offers quality living and an upgraded lifestyle. This three-tower residential condominium has a total of 1,231 condominium units and retail components. A studio room currently costs around ₱2.60 million from its pre-selling price at ₱1.58 million. Tower 1, with 544 condo units, is fully sold and unit turnovers is expected to begin in 2022. Tower 2, with 234 units, was launched in 2020 while Tower 3 was launched in 2021 with development now ongoing.

Casa Mira Towers Mandaue

Launched in 2019, Casa Mira Towers Mandaue, a four-tower mid-rise condominium located in Marciano Quizon, St, Mandaue City, Cebu, is the 8th development of CLI's Casa Mira flagship housing community. The project offers a mix of studio and one-bedroom units with prices ranging from ₱75,000 to ₱80,000 per sq.m. Phase 1 and phase 2 development are allocated with 659 units while 736 units, respectively. The project is expected to be delivered and turned over by 2023.

Casa Mira Towers CDO

Located within the progressive city of CDO, Casa Mira towers CDO is a two-tower residential condominium with 986 units offering an upgraded lifestyle for the Filipino family. Launched in 2019, the development also has its own retail spaces on the ground floor area providing utmost convenience to its residents. With more space and more amenities, Casa Mira Towers CDO prides in giving its residents more value for their homes. The project had sold out in 2020, despite the nationwide community quarantines and the global pandemic.

Casa Mira Towers LPU

Located within minutes from Davao's Francisco Bangoy International Airport, Casa Mira Towers LPU is composed of two residential towers and retail at the podium with 930 condominium units. The project will have a retail component at the ground floor for retail and food outlets to cater students from Lyceum of the Philippines - Davao. This two-tower project is to support LPU Davao as a globally competitive university township – a one-stop development with not just a standalone university, but including supplementing components such as residential, hospitality, retail, and meetings, incentives, conventions, and exhibitions needs; and to position Davao as one of the country's up-and-coming bustling and vibrant destinations.

Midori Residences

This zen-inspired twin-vertical mid-market residential condominium development is located in Mandaue City, Cebu. Its 22-sq.m. studio and 40-sq.m. 1-bedroom units were pre-sold at an average of ₱1.30 million to ₱2.60 million. It is fully developed, complete and fully sold out a total of 396 units.

Mivesa Garden Residences

Located in Lahug, Cebu City and launched in 2013, this 1.8-hectare development is a home to seven mid-rise, mid-market residential buildings, and is designed as a garden-inspired community which has 60% open spaces within the prime property. This is a three-phase project with the first two phases covering the first five buildings. The first two phases offer 937 units consisting of studio, 1-bedroom and 2-bedroom units. Pre-selling started at ₱1.20 million for a 20-sq.m. studio unit, and up to ₱2.90 million for a 2-bedroom 48-sq.m. unit. Phase 1 and 2 are completed and delivered. Phase 3 with a total of 576 units is completed and started turn-over in 2020.

MesaVerte Residences

Launched in 2015, this is CLI's initial entry into the Mindanao market. It is located on an 8,740-sq.m. property in downtown CDO, Misamis Oriental, and 60% of the property is dedicated to open spaces.

The project offers 20-sq.m. studio and 39-sq.m. 1-bedroom units which were pre-sold at ₱1.47 million and ₱2.88 million, respectively. The development is fully sold and is completed.

MesaTierra Garden Residences

Located in Emilio Jacinto Extension, the heart of Davao City, this 5,094 sq m. mid-market condominium has a total of 677 residential units priced between ₱1.60 million to ₱3.40 million. This development has various amenities like swimming pools, a sky garden, a playground and workspace. This condo project is now completed and turned over.

MesaVirre Garden Residences

Launched in the first quarter of 2018, MesaVirre Garden Residences, a three-tower mid-market condominium with 1,072 condo units, is CLI's first project in Bacolod. The project is only 17 minutes away from the airport, 3 km from the Riverside hospital and situated near a number of malls.

Mivela Garden Residences

Mivela Garden Residences is a ₱5.30 billion project, located in Banilad, Cebu City, with four-towers and 1,585 condo units. The Best-Selling Garden Series development has generated overwhelming buyer interest as it is 80% sold out after 3 weeks of selling. The project is close to major establishments providing urban comforts within near distance while maintaining its serene and refreshing ambiance. Construction immediately started and will be completed by the first half of 2023.

Asia Premier Residences

Launched in 2010, CLI's first vertical high-end residential condominium project is located at the Cebu IT Park, Cebu City. The development is also the first residential development in the area. The units ranged from studio units sized at 28 sq.m. and 3-bedroom units measuring 109 sq.m. It is fully developed and completed and has since sold out its 88 units.

Base Line Residences

This 201-unit residential condominium project is located in uptown Cebu City on Juan Osmeña Street. The project offered 23-sq.m. studio units at a pre-selling price of ₱1.59 million, while its 41-sq.m. 1-bedroom unit pre-sold at ₱3.15 million. The project was launched in 2011, and is fully developed and completed, with its 201 units having been sold out.

Base Line Premier

This development was launched in 2015 as the residential component of Base Line Center, a one-hectare mixed-use development located along Juan Osmeña Street, Cebu City and right beside another CLI project, Base Line Residences. It has 379 units consisting of 24-sq.m. studio and 45-sq.m. 1-bedroom units. Studio units pre-sold at ₱2.22 million, while 1-bedroom units pre-sold at ₱4.16 million. Construction started in March 2016 and was completed in 2018.

38 Park Avenue

38 Park Avenue was launched last 2017 with a total of 764 units. This 38-floor New York inspired condominium is designed to be the highest building in Cebu I.T. Park offering an exclusive and breathtaking 360 view of the city. 38 Park Avenue presents five (5) types of condo residences: studio (24 sq.m.), one-bedroom (54 to 56 sq.m.), two-bedroom (80 sq.m.), three-Bedroom (111 to 137 sq.m.) and penthouse (320 to 420 sq.m.). The project is expected to be completed by the end of 2022.

Base Line Prestige

Located in Juana Osmena St., Kamputhaw Cebu City, this high-end residential condominium is the final tower to rise in the Base Line Center. With 351 units, each unit is designed to be spacious and accessible to various establishments. This tower has a wide range of amenities, from retail podiums,

fitness gyms, pools and playgrounds. Units for this project are being sold for ₱2.0 million to ₱10.0 million. The project is set to be completed by 2023.

One Astra Place Residences

Situated in the heart of A.S. Fortuna Street, the lifestyle avenue of Mandaue City, One Astra Place is the residential component of Astra Centre, a mixed-use development that carries astounding design of residential towers, upscale lifestyle mall, world-class hotel and modern office spaces. One Astra place is a 15-storey condominium at 99% take-ups that comes with a wide range of world-class amenities and features. The second residential tower was launched in 2019 with 95.1% take-up as of December 31, 2021. The project is scheduled to be completed by 2024.

Terranza Residences

Terranza Residences is a partnership with International Builders Corp. (IBC) under a joint venture called GGTT Reality. The 33-storey Terranza Residences is CLI's second Iloilo City project. It is expected to be completed by 2025, bringing in as much as ₱2.4 billion in revenues. It will be home to 600 units on a 2,539-sq.m. property. The residential segment will offer one-bedroom units spanning 24 sq.m. to 174 sq.m., which may be combined, as well as penthouse units with 117 sq.m. of space to as much as 174 sq.m. The project will feature a sky lounge, a rooftop garden, a play area, fitness gym, and a helipad.

Costa Mira Beachtown Mactan

The first CLI resort living project, Costa Mira Beachtown, is located in Mactan, Cebu. The development consists of three towers, the first two of which were launched in 2021 and are nearly sold out. Because of the tremendous demand, the third tower will be launched in the latter part of 2022 and is scheduled to be completed by 2026.

Office Projects

In 2013, CLI opened its first office property, Park Centrale at IT Park Cebu, taking advantage of the growing BPO sector in Cebu. CLI's current strategy is to significantly expand its recurring revenue projects in order to deliver 200,000 sq.m. over the next five years in terms of gross leasable area (GLA).

In 2020, the Company turned over Latitude Corporate Center, a Grade A office tower at the Cebu Business Park with a Gross Floor Area (GFA) of 21,000 sq.m. Building development for Astra Corporate Center (18,823 sq.m. GFA) and Patria de Cebu Office (4,562 sq.m. GFA) are currently ongoing.

Office Buildings: Park Centrale Tower, Base Line HQ, Latitude Corporate Center, Astra Corporate Center, Patria de Cebu Office and Masters Tower Cebu Office

Park Centrale Tower

Park Centrale Tower is CLI's first office development. Located at the Cebu IT Park, the 19-storey Grade B office tower was launched in 2013 with total GFA of 11,920 sq.m. and was completed in only two years of construction. The project was positioned to cater to both BPOs and executive offices. 60% of the office spaces were offered for lease, while the rest were fully sold as office condo units. In 2014, the project was awarded as the Best Commercial Development (Cebu) during the 2014 Philippines Property Awards.

Base Line HQ

This project is the office component of the Base Line Center, a major mixed-used development of CLI. Similar to the Company's successful Park Centrale, the said project also caters to both BPOs and executive offices. CLI offers for sale 77% of the 74 office units, while the remaining was retained for the Company's growing leasing business. The strategic location attracted customers in the medical, legal, government and outsourcing services.

Latitude Corporate Center

Latitude is a green building project registered with BERDE, the nationally accepted green building rating system used to measure, verify and monitor the environmental performance of buildings that exceed existing mandatory regulations and standards in the Philippines. This 21,000-sq.m. (in GFA) development is a project of BL CBP Ventures, Inc., a joint venture company of CLI and Borromeo Bros, Inc. At 24 storeys, Latitude will be the tallest office development at the Cebu Business Park. As the project developer and manager, CLI uniquely positioned this project as a three-product office development with BPO, enterprise and executive office offerings. With its iconic design and green building features, the project is aiming for a 3-star BERDE certification. The BERDE project was completed in 2020 with ongoing turn-over.

Astra Corporate Center

Part of the mixed-use project in AS Fortuna, is Astra Corporate Center, the office leasing component of Astra Centre. The Office building is 15-storey high with a total of 18,823 sq.m. of GFA. The project is expected to be completed and be a source of leasing income of the Company by 2025.

Patria de Cebu Office

In 2018, CLI announced its partnership through a 40-year lease with the Archdiocese of Cebu to develop and operate a mixed-use project in the 6,670 sq.m. property. The project will be a redevelopment of the existing Patria de Cebu, an old Spanish establishment to accommodate hotel, retail and offices. It will have approximately 21,000 sq.m. of GFA, with 4,562 sq.m. (GFA) of office spaces. The project is expected to be completed and fully operational by year 2025.

Masters Tower Cebu Office

On February 19, 2021, the Company unveiled its ₱4-billion skyscraper that is set to open in 2025. This mixed-use tower located on a 2,840 sq.m. area in the Cebu Business Park will have an iconic office component in anticipation of a robust economic recovery in the next few years.

The tower's office spaces from the 8th to the 12th floor anticipate the needs of locators who value efficiency and sustainability and keenly follow global trends. The spaces will highlight horizontal louvers to reduce solar heat by almost 70% and to create a comfortable work environment. In addition to the louvers that reflect Cebuano craftsmanship, sky gardens in every floor and throughout the LEED-registered building will enhance the well-being of its occupants.

Hotel and recreational development

In addition to its residential and office developments, CLI has recently entered the hospitality business starting with the completion of its first hotel, Citadines Cebu City in September 2019.

In 2021, CLI signed a ₱360-million joint venture for a mixed-use development with co-living spaces and transient housing in Cebu nearby the IT Park. The Pad, with over 300 dormitory rooms is currently under construction and is expected to be completed by 2023.

The following are the projects under the hospitality business of CLI, its Subsidiaries and its associate Magspeak:

Hotel:	Citadines Cebu City, Radisson Red, Base Line Lyf Hotel, Citadines Paragon Davao, Citadines Bacolod, Patria de Cebu Hotel, Abaca Resort Mactan Cebu, and Sofitel Cebu City
Co-living:	The Pad
Resort:	Abaca Resort Mactan Cebu Magspeak

Citadines Cebu City

Starting operations in September 2019, the project is an international serviced residence with 180 rooms of which 74 units were offered for sale and 106 units were retained by the Company for recurring revenue. Citadines Cebu City is part of the mixed-use Base Line Center located in Juana Osmeña St, Cebu City, Cebu. It complies with international hospitality standards as it operates under the management of The Ascott Limited, the world's largest international serviced residence owner-operator.

Radisson Red

CLI expanded partnership with international hotel brands by signing a management contract with Radisson Hotel Group, one of the world's largest and most dynamic hotel groups, for the first Radisson RED in the Philippines. Radisson RED will be part of the Astra Centre, a major mixed-use development of CLI, along A.S. Fortuna St. in Mandaue City, Cebu. The 146 guest rooms of Radisson RED, with its unique design and upscale select service offering, injects life into the hotel through informal services. The development is scheduled for completion and operations by 2023.

Base Line Lyf Hotel

Portion of the 3rd tower in Base Line Center project is Base Line Lyf Hotel. This 153-room serviced residence project targets the booming local and foreign millennial market in Cebu City. The hotel will be managed by Ascott Limited, one of the world's leading international serviced residences. This project is set to be completed by 2022-2023.

Citadines Paragon Davao

Located at General Douglas MacArthur Highway, Bucana Tolomo, Davao City, Citadines Riverside is an apartment hotel which will be managed by Ascott. The hotel is designed to provide guests its world class amenities, such as a fully equipped kitchen, home entertainment, dining and retail outlets. Citadines Paragon is set to open by 2024.

Citadines Bacolod

Citadines Bacolod will be the first internationally branded hotel of Bacolod managed by Ascott Limited. The international hotel / serviced residences will provide 200 hotel units, an events hall, function rooms, meeting rooms, restaurants, bar and various hotel amenities within a 4,502 sq.m. property. The project is scheduled to open and start contributing to our hotel revenues by 2023 or 2024.

Patria de Cebu Hotel

In 2018, CLI announced its partnership through a 40-year lease with the Archdiocese of Cebu to develop and operate a mixed-use project in the 6,670 sq.m. property. The project will be a redevelopment of the existing Patria de Cebu to accommodate hotel, retail and offices. This Filipino-Spanish inspired hotel development will cater to 167 guest rooms and is expected to be completed and fully operational by year 2025.

Abaca Resort Mactan Cebu

The all-suite Abaca Resort Mactan is a luxury resort in the Punta Engaño area of Mactan island that has received the highest ratings from global travel experts. With a footprint of 4,328 sq.m., the property is one of the few remaining prime properties in the area with an attractive oceanfront and just a short drive from the Mactan Cebu International Airport. CLI envisions the Abaca Resort Mactan to expand to a 100-room all-suite luxury development from its current nine rooms, to be completed in 2025.

In 2020, Abaca Boutique Resort in Cebu was nominated as Asia's Leading Boutique Beach Resort 2020 and Asia's Leading Boutique Resort 2020 in the 27th World Travel Awards.

Sofitel Cebu City

The first five-star luxury hotel in the Queen City of the South will rise on a 2,840 sq.m. property considered to be the remaining prime corner lot in the Cebu Business Park, Cebu City's prestigious central business district. Sofitel Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France. The sustainability of this LEED-registered building will be reflected in the design of the 14th to the 32nd floors which will house the luxury hotel with 195 guest rooms, a grand ballroom, 2 restaurants, executive lounge, meeting rooms, roof deck, swimming pool, gym and spa.

The Pad

The Pad is the first entry of CLI on co-living spaces. The dormitory will have 300 semi-furnished rooms that can occupy three to four transients. The project is located along Banilad road, Cebu City which is strategically located near schools and BPOs. The Pad is integrated in the mixed-use development, Banilad Highstreet with retail spaces and storage facilities.

Mixed-use developments and Townships

With its growing brand, experience, and portfolio, CLI pursued larger scale developments in prime urban locations.

Mixed-Use and Township: Base Line Center, Astra Center, 38 Park Avenue, Paragon Center, Patria de Cebu, Davao Global Township, Banilad Highstreet and Masters Tower, Cebu

Base Line Center

CLI's first major mixed-use development is the Base Line Center, a 1.6-hectare modern redevelopment in the heart of midtown Cebu. The Company removed the existing structures in the old Base Line, a well-known favorite gathering place of Cebuano families, and built a mixed-use development. The project was completed in 2019.

38 Park Avenue

CLI, through its joint venture, El Camino, also acquired a 1.18-hectare property inside the Cebu IT Park, the largest remaining private property inside the prestigious address. This property called 38 Park Avenue at the Cebu IT Park, will be transformed into a mixed-use urban park with a 38-storey residential tower, BPO office, hotel and retail boulevard.

Astra Center

In 2017, CLI launched another major mixed-used development, the Astra Center, in the bustling AS Fortuna Mandaue area, a growing commercial district and the major thoroughfare that connects Cebu and Mandaue. This medium-density project will house a hotel, residential, office, and boutique mall.

Paragon Center

Another mixed-use development by CLI is the Paragon Center, a joint venture project in Davao that was launched in 2018. The development comprises of the premier condominium, One Paragon Place, Citadines Davao Hotel, a convention center and a lifestyle retail strip.

Patria de Cebu

In 2018, CLI announced its partnership through a 40-year lease with the Archdiocese of Cebu to develop and operate a mixed-use project in the 6,670 sq.m. property. The project will be a redevelopment of the existing Patria de Cebu, an old Spanish establishment to accommodate hotel, retail and offices. It will have approximately 21,000 sq.m. of GFA and is expected to be completed and fully operational by year 2025.

Banilad Highstreet

CLI has inked a ₱360-million joint venture for a mixed-use development with co-living spaces and transient housing in Cebu nearby the IT Park. Sugbo Prime Estate, the joint venture is a 7,500-sq.m. property along Banilad and nearby Cebu IT Park which houses several business process outsourcing firms. The joint venture is with the Farrarons family who owns two hotels and a strip mall in Cebu City. Banilad Highstreet will have commercial spaces, over 300 dormitory rooms, and a self-storage facility.

Davao Global Township

CLI also entered into another joint venture to develop a central business district in Matina, Davao. The 22-hectare estate, called Davao Global Township, will be developed into a large-scale self-contained community with office, residential, mall and institutional uses.

Masters Tower Cebu

Set to be completed in 2025, it will offer prime office and retail spaces and the first five-star luxury hotel in the Queen City of the South. Sofitel Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France. The tower is CLI's most iconic architectural structure to date, building a towering crown-like structure to represent the "Queen City of the South".

The architectural masterpiece will top-off at 192 meters above sea level and will be among the top three tallest structures in the metropolis. It will have a structural height of 172 meters high, with an architectural design inspired by the best of Cebuano creativity and craftsmanship, and with sustainability as one of its cornerstones having been conceptualized to use energy and resources efficiently and responsibly. Groundbreaking of the LEED-registered Masters Tower Cebu took place in September 2021. CLI is aiming for the building's LEED Gold certification.

Ming-mori Reclamation Project

CLI is currently working on the Ming-mori Reclamation Project in its pipeline projects. This master planned reclamation development covering 100 ha was issued an ECC by the Department of Environment and Natural Resources ("DENR") on July 22, 2020, following a comprehensive two-year review. This project is a joint venture among the local government of Minglanilla and private consortium partners Ming-Mori Development Corp. The techno business hub will be a township project to house light industrial facilities with residential, commercial areas and an integrated port facility and to generate over 75,000 jobs in the municipality while meeting sound environmental guidelines.

CLI's Commitment to Sustainability

The year 2021 presented an opportunity for the Company to enhance not just sustainability reporting but organizational alignment, risk management and governance practices. The Company conducted a stock-taking exercise to review its value creation process using a sustainability lens. This includes accounting of capital, risks, issues and impacts that are material to the business and the Company's stakeholders.

From this exercise, the Company developed a 5-pillar sustainability strategy and framework and created a structure that will govern and implement sustainability initiatives.

The Company is publishing its first integrated report in accordance with globally-accepted systems and standards for corporate disclosure. CLI cross-referenced general and material disclosure topics on the most widely-adopted Global Reporting Initiative (GRI Standards), the Sustainability Accounting Standards Board and the International Integrated Reporting Council (IIRC).

Moving forward, the Company remains committed to making sustainability an essential component of its operations.

CLI'S STATEMENT OF COMMITMENT AND 5-PILLAR SUSTAINABILITY STRATEGY

CREATING LASTING IMPACT

We are committed to creating long-term value for our business and stakeholders by driving innovation and improving the quality of life of our people, customers and communities while we strive to manage our environmental impacts responsibly, ethically and with transparency.



Competitive strengths

Leading property developer in VisMin with a distinguished brand and reliable track record of project execution proven during the pandemic

A recent market study by SKF named CLI as the top residential developer in VisMin in 2021 with the largest market share among real estate firms. CLI dominates the condominium and subdivision market by 33% and 26% respectively. The study also reported CLI as the fastest seller in the VisMin market with 83% absorption rate outpacing the industry average of 65% due to a well-trusted and recognized brand by both local landowners and buyers.

CLI has responded well to the increasing market demands of VisMin, outpacing other developers in finishing construction and delivering completed units to its customers. On the average, CLI can convert raw land to a turned-over project in less than two to three years, depending on the project size. CLI's condominium developments BaseLine Residences, Park Centrale Tower, Mivesa Garden Residences, Midori Residences, and Casa Mira Labangon were delivered to the buyers in two years, as committed by the Company in its marketing materials.

The Company adopted a rigorous project management team approach, wherein key personnel from each business unit are given a regular platform to monitor project milestones, and discuss important synergies and shared deliverables among business units.



CLI has shown its capacity to execute project delivery during the height of the COVID-19 pandemic. Construction activity at the Company's 24 locations continues to advance at a modest pace while following local health protocols and required permitting to continue its site operations. This effort is motivated by the Company's dedication to deliver quality real estate developments on schedule to its customers.

By the end of 2021, the economy had gradually reopened, allowing CLI to resume full-swing in construction with catch-up measures being implemented to make up for any delays brought about by the pandemic lockdowns.

Strategic location selection to provide value-for-money proposition to customers

The criteria for choosing a location for CLI are very rigid. The Company continues to be on the lookout for properties of high value appreciation potential. CLI's site quality has always been a catalyst for its excellent sales success, whether for a high-end condominium project or an affordable housing project. CLI has projects in the region's most valuable real estate major key areas in Cebu, Iloilo, Bacolod, CDO, and Davao. The Company looks at locations within a two-kilometer radius of the closest highway for its mid-market and affordable housing developments. The Company has enhanced the facilities in the neighborhoods where its housing developments are located. This has always proved to be a win-win for the residents as well as the local neighborhood.

CLI's experience with the city and its communities, as a native developer, allows the Company to choose the best locations for its projects and to cater to the market's needs and tastes. San Jose Maria Village, Balamban, CLI's first project, was established when CLI's founder, Mr. Jose R. Soberano III, recognized that there was a ready demand for affordable housing among employees of Balamban's manufacturing companies.

Because of CLI's proven track record, landowners who wish to sell or develop their properties jointly find it easier to approach and work together with the Company. This is evidenced by the number of proposals from landowners regularly received by CLI to buy or develop their properties.

CLI gives its clients more value for their investments. Its properties are distinguished by the quality of its locations, award-winning planning and design, generous amenities, timely and quality construction, and industry-best customer service, after-sales and property management support at very competitive prices. The Company has a strong pipeline in various affordability levels, and will strive to continuously improve its products' value proposition. As a success criterion and as practiced, CLI has always projected its initial pre-selling prices to appreciate by at least 20-25% by the time the construction is completed. As an indication of the positive market response, a number of its projects have set selling records in the markets they are launched and 98% of the inventory from its completed projects has been sold out.

Highly diversified and expanding project portfolio and socio-economic markets

CLI is a fully integrated real estate developer with a highly diversified expanding portfolio of residences, offices, retail spaces, hotels, mixed use developments, and a township across 10 major locations in VisMin – Greater Cebu, Bohol, Dumaguete, CDO, Davao, Iloilo, Bacolod, Ormoc, Butuan, and Palawan.

During the pandemic, the Company was able to maintain earnings stability because of its wide portfolio of projects that addressed the demands of consumers from various socioeconomic strata. In 2020, CLI expanded its affordable housing offerings to address the rising need for high-quality housing where everyone can feel safe and comfortable in their residence, which serves as a hub for work, school, and recreation.

As the economy improves in 2021, the Company has begun to release projects for the mid and premier market sectors this year. The CLI reported a 16% growth in reservations sales to ₱16.52 billion, with economic housing accounting for 41%, mid-market accounting for 27%, and high-end projects accounting for 31%.

With the market's growing need for safe and secure homes, CLI launched the "Embrace Home" campaign to emphasize the value of homes and to offer our CLI homes where people can embrace

comfort, embrace a sense of security, and embrace life. CLI also quickly made available online platforms where buyers can purchase quality homes under flexible and comfortable payment terms and enticing promos. Continued from 2020, a year to reflect and adapt, and as for CLI—the Company took prompt action to continue its excellent services to its stakeholders, homeowners, and surrounding communities—through technology. CLI quickly adapted to change to strengthen the Company's digital presence, to attend to the stakeholders' concerns despite all the limits COVID-19 has given.

Experienced management team and organizational culture

The Company aims to grow its workforce in line with high standards of professionalism, as it has over the last 18 years. The Group has grown from two employees to a dynamic team of 709 executives, managers, officers, and staff, with an average age 46 and over 250 years combined cumulative professional experience in their respective fields, who have contributed to the Company's culture of excellence and strong corporate governance. CLI's customer-first attitude and family-oriented team enables it to achieve high stakeholder satisfaction and establish strong brand equity.

CLI is led by a family of real estate professionals. Its founder, Chairman of the Board of Directors, President and CEO, Jose R. Soberano III, was a former executive at Ayala Land, where he played an integral role in the development of Cebu Business Park and Cebu IT Park, the two most valuable commercial districts in Cebu City up to this day. CLI has grown its talent pool with the addition of knowledgeable accounting and finance, business development, engineering, legal, marketing, and sales professionals with extensive experience and success in their respective professional careers. CLI's key executives have had prior experience in reputable companies from related industries such as real estate development, construction, power, banking, business process outsourcing, consulting, and others.

Socially Responsible Development

CLI is committed to demonstrate responsible planning and development. Wherever the Company develops, community and infrastructure improvements within the neighborhood are integral parts of the development plans. CLI has partnerships with various barangays, local government units and institutions, including Habitat for Humanity ("**Habitat**").

For partnerships with barangays, a fine example is the community improvements done in Barangay Lahug, Cebu City, as part of its Mivesa Garden Residences project. As its gesture of goodwill for the barangay and its constituents, the Company upgraded various barangay infrastructures including the widening of the Salvador Ext. barangay road, the installation of new drainage lines, and the construction of a three-storey public market in 2013. The previous market was located along the sidewalk, so the developer provided a more stable, hygienic, and secure facility. This was well received by the local community and as such, it serves as a testament that private development can also generate good social works.

CLI also developed a tricycle terminal for Barangay Quijada Guadalupe, right beside Casa Mira Towers Guadalupe. The terminal was built to alleviate traffic in the area caused by the loading and unloading of tricycle passengers. The new establishment provides safety and security to both passengers and operators of Guadalupe.

Additionally, CLI collaborated with Habitat for the '*Pinamalayan Socialized Housing Project*' and '*Bastikville 4 Socialized Housing Project*' in Quezon City, where CLI served as the developer of over 338 socialized units and 94 walk-up apartments. Aside from this, the Company generously contributed to the Habitat Bohol Rebuild Program in 2015, which aimed to rebuild over 8,000 homes affected by the October 2013 earthquake.

For its partnership with Ramon Aboitiz Foundation, Inc. ("**RAFI**"), CLI's current tree growing program includes over 202,436 native seedlings planted over 43 hectares. CLI collaborates with RAFI as part of its responsible compliance to Environmental Compliance Certificate requirements for its growing number of projects.

CLI is also an advocate of green building standards with some of its projects incorporating important green building and environmentally friendly features. Its Latitude Corporate Center office project is

marked to be the first registered project in Cebu Business Park under *BERDE*, the Philippines' green building rating system that aims to promote sustainable design and operations.

In 2020, when the COVID-19 pandemic hit the country, CLI was in the forefront to nurture partnerships despite the health crisis.

The CLI Cares Campaign aimed to provide assistance to its employees, residents, third-party workers, medical frontliners and communities. Apart from issuing an early 14th month pay, CLI also reinforced health and medical coverage, provided health and safety kits, transportation services, flu vaccines for employees and their families, rapid tests for the skeletal staff and provisions for reusable face masks, among others. The Company also ensured the strict observance of health and safety protocols which included the regular sanitation of work stations. CLI was also able to secure health and safety measures in all Company properties. Awareness programs were also implemented to educate employees in practicing precautionary measures at home and at work. Webinars, online training, regular meetings, and engagement programs persisted despite the nationwide lockdown.

Additionally, CLI also extended support towards more than 5,000 third-party construction and maintenance workers through providing daily allowances on top of their wages, health kits, and essential supplies for their families. Construction workers were given Christmas packages while medical frontliners received protective equipment distributed to respective local authorities. Moreover, a quarantine facility in South Road Properties was constructed in support of the Cebu City government. The Company also donated food packs and medical supplies to 18 cities and 30 barangays where CLI has projects.

In 2021, the Company operationalized Cebu Landmasters Foundation, Inc. (the "**Foundation**") that serves as a vehicle to pursue the Company's Corporate Social Responsibility ("**CSR**") agenda.

The Foundation's framework is based on the Company's vision, that is to be the most community-focused real estate company in the Visayas and Mindanao regions.

Through the Foundation, the Company's efforts on corporate citizenship are organized into a more coherent and focused set of programs. The Foundation has identified interventions that are aligned with the needs and priorities of partner communities: building capacities for livelihood, environmental stewardship, health, sanitation and wellness, and to help develop skills through education.

In 2021, when Cebu was in the top list of provinces with the highest COVID-19 cases, the Company continued to pursue its pandemic response initiatives by supporting a private-sector led project, *Balik-Buhay SaBaBida* Program. The Company provided for the salaries and bonus allowance of nurses assigned in the COVID wards in six partner hospitals, while the Company continued to support partner local government units ("**LGUs**") in the vaccination roll out.

In addition, the activities of the Company and the foundation focused on community needs assessment and engagement, especially those in the vulnerable sector. An example of which is the Company's engagement with Cebu City as partner LGU. The Company broke ground on its 100-unit, 5-storey socialized housing medium rise tenement building donated to the City of Cebu to resettle 100 informal settler families currently living in danger zones. While the building is being constructed, the Company created a taskforce composed of the following members: Cebu City's Local Housing Board, the Division for the Welfare of the Urban Poor, Department of Human Settlement and Urban Development, and *Barangay* Lorega San Miguel (the host barangay). The taskforce held regular sessions to plan for the beneficiary selection, social preparation, and property management of the building. The Company provided the taskforce with guidance and oversight, lending its expertise in the area of property management and community development to help the LGU in the pre-settlement process, before the building will be completed and turned over to the City.

Furthermore, the Company partnered with Mandaue City, to plan for a future socialized housing tenement building that will benefit informal settler families hit by a major fire incident in 2019 in *Barangay*, Tipolo, Mandaue City. Plans were also being done for another socialized housing project in *Barangay* Bangkal, Lapu-Lapu City, in partnership with the Justice Peace and Integrity of Creation, an Arnold Janssen/SVD organization supporting disadvantaged members of the community. This housing

project seeks to provide shelter to the homeless whose livelihood depended on scavenging and collecting recyclables.

Also in 2021, CLI joined the rest of the country in celebrating Olympic silver medalist Carlo Paalam's extraordinary achievement at the Tokyo Olympics by granting him a ₱3.6 million house and lot in Velmimo Uptown, CDO. This is the first house and lot that the Company has given to an individual who has brought honor to the country.

Towards the end of the year, when typhoon Odette hit Cebu, the Company responded to the needs of its host communities by providing food packs, roofing materials and solar lamps, which were distributed mostly in the early part of 2022, in areas that were severely affected by the typhoon, benefiting over 4,000 families. In addition, the Company provided ₱30 million assistance in roof repairs that benefited more than 800 homeowners affected by the typhoon.

Strategic joint venture partnerships

CLI takes pride in its ability to collaborate with and deliver great value to its JV partners. CLI is the project manager and developer in all its JVs. These JVs enable the Company to position itself in strategic locations such as Cebu Business Park through BL CBP Ventures, Inc., and Cebu IT Park through El Camino Developers Cebu, Inc.

CLI's JV partnerships are typically of a closer and more collaborative nature than the norm, where it treats its JV partners as true and equal business partners. Its collaboration results in better-suited products in the markets they are launched in, while benefiting from the market intelligence of its partners. Product execution and delivery are also improved by leveraging the professional and regulatory networks of its partners.

Collaborating with a JV partner also facilitated the Company's forays into new markets such as Davao, Bacolod, and Iloilo. After the success of MesaTierra, the Company entered into new partnerships with YHES to develop Paragon Center and with YHEST to develop Davao Global Township, both in Davao.

Another JV company, Cebu Homegrown Developers, Inc. with Ixidor Holdings as our partner, is set to develop a mid-market, mixed-use, multi-tower condominium project in Mandaue City, Cebu as its first project. It is called Mandra Residences. It has also acquired a strategic landbank in Talamban, Cebu, just outside the prestigious Prisinta North subdivision, from Aboitiz Land. The plan is for a high-end mid-rise mixed use development that is in planning and design stages.

After the success of Latitude Corporate Center, CLI and Borromeo Bros. partnered afresh to develop another project in another prime location within Cebu City. Cebu BL-Ramos Ventures, Inc. was incorporated in 2020 to develop a mixed-use multi-tower residential condominium in Ramos Cebu City.

Additionally, CLI recently signed a JV agreement with prominent Iloilo businessman Alfonso Tan, chairman of International Builders Corporation, for a high-rise residential tower on a prime corner lot in Iloilo City's downtown area. The tower will be the first condominium offering in the highly accessible location.

CLI created two JV partnerships in 2021. Sugbo Prime Estate, Inc. was formed to build the 7,500-sq.m. property. A great location along Banilad Cebu City will be transformed into a mixed-use development with retail spaces and a 300-room dormitory. In addition, the Company formed CLI-LITE Panglao Inc., a JV with Jun Lim of Lite Shipping Corp., to develop 4 hectares of property in Panglao, Bohol, into a residential condominium project set to launch in the second half of 2022.

The Company's successful JV partnerships in its past and present projects underscores CLI's prominence as a preferred JV partner because of the priority it gives to its partners, its transparency in terms of project planning and accountability, and its quick execution and delivery of projects. The fast business development cycle it implements makes the Company attractive to its current and future JV partners.

Financial strength: Strong profitability, prudent financial management and a healthy balance sheet

CLI's net income to its shareholders has increased at a compound annual growth rate of 27.78% from its first public offering in 2017 to the recent full year 2021. The Company has continually proven great profitability and prudent financial management throughout its expansion. CLI's gross profit and net income increased steadily while maintaining good margins and debt management discipline.

CLI ended the pandemic year 2020 with a Consolidated Net Income of ₱2.08 billion and Net Income attributable to equity shareholders of ₱1.85 billion, a slight decline of 8% year-on-year from ₱2.01 billion in 2019, based on its audited financial statements. The modest earnings results were due to the reduced construction operations caused by the lockdown measures imposed by the government during the enhanced community quarantine period. In 2020, CLI was able to benefit from the attractive interest rate environment as it raised a total of ₱8 billion in March, which was completely subscribed by several financial institutions at an average fixed rate of 4.15%.

For the year ended 2021, CLI recorded ₱2.61 billion net income attributable to CLI shareholders in 2021, an increase of 42% from ₱1.85 billion year-on-year. CLI's topline grew by 35% to ₱11.16 billion from 2020's ₱8.3 billion driven by significant construction accomplishments and robust sales, which have further resulted in a ₱25 billion or 23% increase in unrecognized revenue for future recognition, based on its audited financial statements. The Company also maintained prudent debt management during the year. Net Debt to equity ratio remained at modest levels standing at 1.72x while lowering down cost of borrowing to 4.75% from 4.96% in 2020.

The Company also prides itself in its cost discipline. While CLI utilizes contractors for its projects, it purchases its own raw materials and employs a dedicated project management team to ensure that quality and cost meet the Company's requirements.

CLI also has one of the most organized and responsive accounts receivable and customer support departments in the industry. Customers who wanted to defer their equity payments due to the pandemic were given a grace period during the shutdown. Despite this, the delinquency rate in 2021 remained low at 5.3% improving from the 5.5% of the past year. Cancellation rate likewise improved to only 3.74% in 2021 from 4% in 2020.

CLI also has a dedicated accounts management team who facilitates the take-out process, whether through a bank mortgage or a cash payout for the contract balance.

Operational excellence

CLI has a fully integrated real estate set-up encompassing different areas, namely, acquisitions, business development, technical planning, engineering and project management, sales and marketing, documentation and licensing, legal services, customer service, and property management. The Company prides itself on its hands-on and personalized approach, which allows itself to respond effectively to its clients and industry partners.

Construction

For each horizontal and vertical development, CLI engages various general and specialty contractors with both local and national experience. With over 135 engineers in its roster, CLI handles the project and construction management aspect of every project, and manages the various contractors and sub-contractors that are utilized. As the project manager, CLI controls the delivery of its projects with priority on promptness, quality and professionalism. CLI does not have any in-house construction or any affiliated general contracting business.

Sales

CLI has one of the industry-leading sales support teams. With over 66 sales support personnel, this team collaborates, coordinates, and supports the over 11,000-strong accredited broker/agent network of CLI. This is CLI's strategy in working harmoniously with the seller community by assisting the brokers 24/7 from sales origination to closing. CLI works alongside brokers in addressing the client inquiries until closing.

Key Strategies

Expansion to key cities in the Visayas and Mindanao

Regional Developments:

Bohol	: Velmiro Plains Bohol
Dumaguete	: Casa Mira Coast, Casa Mira Dumaguete
Bacolod	: MesaVirre Garden Residences, Casa Mira Granada, Velmiro Plains
Iloilo	: Casa Mira Iloilo
Ormoc	: Casa Mira Ormoc
CDO	: MesaVerte Garden Residences, Velmiro Uptown CDO, Casa Mira Towers CDO
Davao City	: MesaTierra Garden Residences, The Paragon Center, Davao Global Township, Casa Mira Towers LPU

In 2015, CLI embarked on its regional expansion when it launched MesaVerte Residences in CDO. This is the mid-market condominium offering of CLI with three 15-storey residential towers having a total of 798 units which almost sold out in less than a year of pre-selling. In 2018, the Company then introduced its mid-market horizontal project in the same city – Velmiro Uptown CDO. The subdivision's master plan shows an inventory of 396 units intended to meet the housing demand in the area.

In CDO, the Company set up its first satellite sales, administrative and engineering offices. The Company found a unique advantage in being homegrown, as it can distinguish itself further in these new regional markets with similar local dynamics as Cebu.

In 2016, CLI successfully set its foothold in Davao by launching MesaTierra Garden Residences, a 22-storey residential condominium.

In 2017, CLI strengthened its market presence in Davao by entering into two new JVs to develop the Paragon Center and Davao Global Township, a 22-hectare estate project. The Company then launched Casa Mira Coast, a five-hectare property in Sibulan, Negros Oriental. After the successful launch of its first Casa Mira brand outside Cebu, CLI expanded its footprint from Negros Oriental to Negros Occidental by introducing MesaVirre Garden Residences, a three-tower residential condominium project in Bacolod City.

In 2018, the Company launched Astra Center, its first mixed-used building in Mandaue, Cebu. The Astra Centre is composed of Astra Centre Mall, Radisson RED, One Astra Place and Astra Corporate Centre.

In 2019, the Company acquired Abaca Resorts Mactan and Lowaii Marine Cebu Resort in Mactan, Cebu to increase revenues from its hotel segment. CLI entered into a JV with an Aboitiz Company, to develop Mandra Residences, a mid-market, mixed-use, multi-tower condominium project in Mandaue City, Cebu.

In 2020, CLI sets footprint in Bohol and Iloilo with the successful launching of Velmiro Greens Bohol, a 3.6-hectare modern mid-market horizontal development in Jaro Daus, Panglao, Bohol, and Casa Mira Iloilo, 14.4-hectare economic subdivision project in Jaro, Iloilo City with 1,188 housing units. With the fully take-up Casa Mira Coast in Sibulan, Negros Oriental, the Company launched Casa Mira Dumaguete, a 6.1-hectare project to develop 586 economic horizontal housing units. CLI also launched Casa Mira Towers LPU, a 930-unit economic condominium project, as a housing options for students in Lyceum of the Philippines University.

In 2021, CLI launched its first project in Ormoc, Casa Mira Ormoc is the first Casa Mira brand in Leyte. It has a very strategic location and it offers affordable townhouse units with very generous payment

schemes. Casa Mira continues to expand to major key cities in Visayas and Mindanao and launching its first project in Eastern Visayas. Casa Mira Homes Ormoc is a 9.13-hectare residential subdivision in Brgy. Luna Ormoc City.

CLI has several strategic land acquisitions lined up in greater Cebu, Bacolod, CDO, and Davao, with new expansion areas such as Butuan, Roxas, General Santos City and Palawan also on the horizon. CLI continues to pursue its aggressive plans to establish and deliver quality developments across the VisMin region.

Building recurring income developments

As CLI sets its sight on a long-term growth trajectory, the Company is committed to growing its recurring income portfolio. In 2013, CLI launched its first office building in Cebu IT Park. The project, Park Centrale Tower, was designed to host both BPO and executive offices (office condominium units). With its Grade A design and features, Park Centrale Tower was awarded as the Best Commercial Development in Cebu in the 2014 Philippines Property Awards.

In 2015, CLI made another significant step in growing its recurring income portfolio when it launched its Phase 1 of Base Line Center, a redevelopment of one of the largest remaining properties in the prime midtown Cebu area. The project is a mix of retail, office, hotel, and residential project.

In 2016, CLI launched Latitude Corporate Center, a joint venture development under BL CBP Ventures Inc. This is a 24-storey Grade A office building offering future-ready spaces for businesses with a 13,000 sq.m. GLA.

In 2017, the Company launched 38 Park Avenue, a residential high-rise project with 3,000 sq.m of retail space located in the last 1.18-hectare patch of green in Cebu I.T. Park, one of the Philippines' top 20 prime real estate properties.

In 2018, the Company launched Astra Center, a mixed-use development located in Mandaue City designed to have a boutique mall, hotel, office, and residential tower adding over 30,000 sq.m. GLA.

The first hotel business of the Company started operations in September 2019 allowing CLI to recognize a new stream of revenue from the segment. Citadines Cebu City, the 180-room condotel, is operated and managed by Ascott International Management Pte Ltd., the world's largest international serviced residence owner-operator.

In 2021, CLI launched Masters Tower, the project is a 31-storey hotel and office tower that will establish a destination within Cebu Business Park and bolster Cebu's status as an international city. It will be the tallest tower in the district, with over 7,000 sq.m. of Class A office space and the first 5-star hotel in Cebu, Sofitel Cebu City. The property is located on a 2,840-sq.m. area in the Cebu Business Park and will be among the top 3 tallest structures in the metropolis, which would top off at 192 meters above sea level.

CLI's current recurring income assets include BPO floor space, executive office space, residential units, and various commercial and retail units in its condominium projects. These assets are now delivering an annual lease income to CLI of close to ₱74.3 million with their combined GLA of 29,133 sq.m. At present, the Company's rental occupancy rate is at 74% after the newly delivered spaces from Latitude Corporate Center wherein leasing initiatives are still ongoing. Several under construction commercial developments that will further boost its recurring income includes Astra Center and Patria de Cebu.

The new developments in Davao, Phase 1 of Davao Global Township and Paragon Center, are also designed to boost the recurring income of the Company by 2025 by integrating a hotel, commercial center, office, and residential tower into one development.

Vertical integration – property management

On April 20, 2017, Cebu Landmasters Property Management, Inc. ("**CLPM**"), a wholly-owned subsidiary of the Company, was incorporated to provide property management services to housing, condominium and office projects developed by the Company. With the goal of making CLPM a self-sustaining and

revenue generating business unit, CLPM is envisioned to eventually offer and expand its services to outside clients. Currently, CLPM is managing 23 projects with revenue for the period ending December 31, 2021, 2020 and 2019 are ₱48.7 million, ₱42.60 million, and ₱36.80 million respectively.

Growth of economic housing brand (Casa Mira)

The Casa Mira brand of CLI is designed to answer the underserved demand in the affordable housing sector. And even after the pandemic, Casa Mira remained CLI's fastest selling and most sought-after brand. Unit prices range from ₱1.80 million to ₱3.0 million. Correspondingly, the monthly amortizations range from as low as ₱6,000 to as high as ₱15,000. This caters to households with monthly incomes of ₱15,000 to ₱30,000.

Despite the pandemic, strong housing demand in VisMin enabled CLI to sell a number of housing units from Casa Mira which accounted for 69% of the Company's reservation sales in 2020 amounting ₱14.23 billion. In 2021, as the economy reopens, demand for the Casa Mira brand remains resilient, accounting for 41% of the ₱16.5 billion reservations sales that the Company recorded during the year. There has been an increase in premier masters (high-end) from 31% in 2021 to 93% in the first quarter of 2022. There has also been a strengthened foothold in sales outside Cebu, from 19% in year 2021 to 89% in the first quarter of 2022. Currently, there are 11 Casa Mira communities and a total of over 13,155 housing units in VisMin namely: (1) Casa Mira Linao, (2) Casa Mira South, (3) Casa Mira Towers Guadalupe, (4) Casa Mira Towers Labangon, (5) Casa Mira Towers Mandaue, (6) Casa Mira Coast, (7) Casa Mira Bacolod, (8) Casa Mira Towers CDO, (9) Casa Mira Iloilo, (10) Casa Mira Dumaguete, (11) Casa Mira Towers LPU, (12) Casa Mira Ormoc, and (13) Casa Mira Towers Bacolod.

In 2022, CLI will roll out this brand in Davao, Palawan. The Company sees this as a great opportunity to tap into the classes B, C and D markets where most of the working population belongs to. With the Philippines' young and growing workforce, the need for affordable permanent housing options will continue to escalate.

Capitalizing on pipeline projects

CLI has a solid pipeline of over 21 projects over the next two years, including 19 residential, one office condo, and the start of lot sales in Davao Global Township. CLI will also begin work on the remaining of Phase 1 of Davao Global Township, which comprises the Cultural Center, City Center, and Pavilion. CLI plans to expand its present product offerings across VisMin with additional vertical residential and mixed-use complexes that will produce revenue and recurring income for the Company.

Establish and leverage strategic partnerships, alliances joint ventures and cooperation

CLI will also continue to pursue local partnerships that will serve to enhance its expansion plans. The Company has proven that strategic alliances can provide a winning formula for securing strategic locations and entering new markets for as long as the JVs are executed with best practices. Its existing JVs are BL CBP Ventures, Inc., CCLI Premier Hotels, Inc., Cebu BL-Ramos Ventures Inc., Cebu Homegrown Developers, Inc., CLI Premier Hotels Int'l. Inc., El Camino Developers Cebu, Inc., GGTT Realty Corporation, Mivesa Garden Residences, Inc., YHES Premier Hotel Inc., YHEST Realty and Development Corporation, Yuson Excellence Soberano, Inc., Yuson Huang Excellence Soberano, Inc.

Sugbo Prime Estates, Inc. and CLI-LITE, Inc. are CLI's new joint venture agreements for 2021. (CLI-LITE). In addition, the business expanded its stake in Ming-Mori Development Corporation from 20% to 80%, making it the joint venture's project manager and principal developer.

Corporate Organization

CLI is presently engaged in real estate-related activities such as real estate development, sales, leasing, and property management. Its real estate portfolios include residential condominium units, subdivision house and lots, and townhouses as well as hotels, office projects, retail spaces and townships.

In 2016, AB Soberano Holdings Corp. ("**ABS**"), formerly AB Soberano International Corporation, one of CLI's stockholders, assumed control of CLI by acquiring additional 400,000,000 shares of CLI and

became the parent company of CLI. ABS is a holding company and is incorporated and domiciled in the Philippines. The registered office and principal place of business of ABS is located at 2nd Street Villa San Lorenzo, Quijada Street, Barangay Guadalupe, Cebu City.

On January 6, 2017, the board of directors approved CLI's application for the registration of 1,714 million of its common shares with the SEC and application for the listing thereof in the PSE. The board of directors' approval also covered the planned initial public offering of 430 million unissued common shares of CLI. CLI's shares were listed in the PSE on June 2, 2017.

On February 26, 2021, the Company increased the authorized capital stock to ₱10.0 billion common shares and ₱1.0 billion voting preferred shares.

On July 14, 2021, CLI distributed stock dividends of 123% per share. This resulted in an increase in total outstanding shares after the stock dividends to 3,461,851,997. This is net of the total shares held under treasury as of the end of December 31, 2021, amounting to 161,600,000 shares.

CLI and its Subsidiaries are not involved in any bankruptcy, receivership or similar proceedings, and have no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

Subsidiaries and Affiliates

Corporate structure

The Company holds ownership interests in the following Subsidiaries and associates as of December 31, 2021:

Entity	Effective Percentage of Ownership	
	2021	2020
<i>Subsidiaries</i>		
(1) A.S. Fortuna Property Ventures, Inc. (ASF)	100	100
(2) CLI Premier Hotels Intl. Inc. (CPH)	100	100
(3) Cebu Landmasters Property Management, Inc. (CLPM)	100	100
(4) CLI-LITE Panglao Inc. (CLI-LITE)	88	-
(5) BL CBP Ventures, Inc. (BL Ventures)	50	50
(6) Yuson Excellence Soberano, Inc. (YES)	50	50
(7) Yuson Huang Excellence Soberano, Inc. (YHES)	50	50
(8) YHEST Realty and Development Corporation (YHEST)	50	50
(9) CCLI Premier Hotels, Inc. (CCLI)	50	50
(10) YHES Premier Hotel Inc. (YHESPH)	50	50
(11) Mivesa Garden Residences, Inc. (MGR)	45	45
(12) El Camino Developers Cebu, Inc. (El Camino)	35	35
(13) Cebu Homegrown Developers, Inc. (CHDI)	50	50
(14) Cebu BL-Ramos Ventures, Inc. (CBLRV)	50	50
(15) Ming-Mori Development Corporation (MMDC)	78	20
(16) GGTT Realty Corporation (GGTT)	50	50
(17) Sugbo Prime Estate, Inc. (SPE)	64	-
<i>Associates</i>		
(18) Magspeak Nature Park, Inc. (Magspeak)	25	25
(19) Icom Air Corporation (ICOM)	33	33

- (1) ASF was incorporated as a joint venture on March 9, 2017 to facilitate the acquisition of a 9,989-sq.m. property along AS Fortuna Avenue for the development of the Astra Center Mandaue, a mixed-use development in the AS Fortuna Mandaue area that will house a hotel, residential and office development and a boutique mall. CLI acquired all the ownership interest of its business partners at the end of 2017 which made ASF its wholly owned subsidiary as of December 31, 2017. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.

- (2) CPH, a wholly owned subsidiary of the Company, was incorporated on August 26, 2016 to take charge of Citadines Cebu City and the Company's future hotel developments. The commercial operations started on September 14, 2019. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.
- (3) CLPM, a wholly owned subsidiary of the Company, was incorporated on April 20, 2017, to provide property management services initially to housing and condominium projects developed by the Company. It is envisioned to eventually offer and expand its services to outside clients. CLPM started commercial operations on September 1, 2017. Its principal office address is at 10th Floor, Park Centrale Tower, J.M. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City.
- (4) CLI-LITE was incorporated on July 19, 2021, as an undertaking by CLI and two other corporations for the development of a mixed-use project with residential condominiums and a possible hotel component in Panglao Island, Bohol. The principal place of business of CLI-LITE is located in Cebu City.
- (5) BL Ventures was incorporated on February 3, 2016, to develop Latitude Corporate Center, a 24-storey office development at the Cebu Business Park. BL CBP Ventures, Inc. was a JV of the Company and Borromeo Bros, Inc. Its principal office address is at AB Soberano Bldg., Salvador Ext., Labangon, Cebu City.
- (6) YES was incorporated on December 15, 2016 to mark the Company's entry into the Davao market. It is a JV between the Company and Yuson Comm. Investments Inc. to undertake the development of MesaTierra Garden Residences, a 21-storey residential condominium, and two other mixed-use projects in Davao City. It will also engage in real estate brokering to facilitate the marketing and sale of the JV developments in Davao. Its principal office address is at Suite A, 204 Plaza De Luisa Complex, 140 R. Magsaysay Ave. in Davao City.
- (7) YHES was incorporated on November 10, 2017, to develop the Paragon Davao, a 1.9-hectare property in Riverside Davao. The development will become a mixed-use real estate which will include a residential, retail, hotel and convention center. YHES Inc., is a JV of CLI, Yuson Strategic Holdings Inc., and Davao Filandia Realty Corp. Its principal office is located at MesaTierra Garden Residences Showroom, E. Quirino Avenue in Davao City.
- (8) YHEST was incorporated on August 10, 2018 to develop the Davao Global Township. It is a JV between CLI, Yuson Strategic Holdings Inc., Davao Filandia Realty Corp., Plaza De Luisa Development Inc., Yuson Newtown Corp., and Davao Primeland Properties Corp. Its principal address is at MesaTierra Garden Residences Showroom, E. Quirino Avenue in Davao City.
- (9) CCLI was incorporated on November 12, 2018, as an undertaking between CLI and Capitaine, Inc. for the development of Citadines hotel in Bacolod City. The Citadines hotel is planned to be managed by Ascott. The principal place of business of CCLI is located at 2nd floor MesaVirre showroom in Bacolod City.
- (10) YHESPH was incorporated on October 28, 2019, as a wholly owned subsidiary of YHES that will engage in hotel business. Its ultimate parent is CLI which owns 50% of YHES. YHESPH has not yet started its commercial operations.
- (11) MGR was incorporated on March 13, 2017 to develop Towers 6 and 7 (Phase 3) of Mivesa Garden Residences, a real property development project located on a 3,000-sq.m. property to be registered in the Company's name. Its principal office is located on the 10th Floor, Park Centrale Tower, J.M. del Mar St., Cebu IT Park, Brgy. Apas, Cebu City. CLI holds a 45% stake in MGR.
- (12) EL Camino was incorporated on August 15, 2016, to develop a 1.17-hectare property inside the Cebu IT Park, and to construct (1) 38 Park Avenue at the Cebu IT Park, a 38-storey high-end residential condominium, and (2) Park Avenue Corporate Center, a Grade A office building with over 20,000 sq.m. of leasable area. Its principal office address is at Base Line Center, Juana Osmeña St., Brgy. Kamputhaw, Cebu City. The Company has a 35% stake in El Camino.

- (13) CHDI, a JV of Aboitizland and CLI, was recently incorporated on December 5, 2019 to develop a high-rise mixed-use condominium complex, with sellable and leasable units, in a 12,405 sq.m. lot area in Mandaue City, Cebu. The Company has a 50% stake in Aboitiz CLI Cebu Developers, Inc.
- (14) CBLRV was incorporated on February 21, 2020, as an undertaking between CLI and BBEI and is engaged in the development of a mixed-use condominium tower in Cebu City. Its principal place of business is located in Cebu City.
- (15) MMDC was incorporated on August 1, 2013, to undertake and execute land reclamation projects, submit bids, and accept awards for reclamation projects, and manage, hold, and sell reclaimed land and other real property. MMDC is the private consortium that has proposed to undertake the Ming-Mori Reclamation Project of the Municipality of Minglanilla, which involves the development of the Minglanilla TechnoBusiness Hub, a 100-hectare techno-business park in the progressive town of Minglanilla, a mere 30 minutes away from Cebu City. The Company has increased its stake to 78% from 20% in Ming-Mori Development Corporation in 2021. This transaction enabled CLI to become the project manager and principal developer of the reclamation project.
- (16) GGTT was incorporated on March 26, 2003 and is engaged to construct a residential condominium project in its principal place of business in Iloilo City. On June 16, 2020, CLI acquired 50% ownership in GGTT to obtain a controlling interest in the company, however, the transaction was accounted for by the Group as an asset acquisition as discussed in Note 7 in the Audited Financial Statements. During the first quarter of 2021, GGTT started commercial operations, and is now considered as a subsidiary of CLI.
- (17) SPE was formed in 2019 as a one-person corporation and was converted into an ordinary stock corporation after entering into a JV with CLI on March 4, 2021, for the development of a dormitory with retail and warehouse spaces. The principal place of business of SPE is in Cebu City.
- (18) Magspeak was incorporated on October 21, 2011, to acquire, lease and develop lands into nature and eco-tourism parks in Balamban Cebu, and to manage, and operate the same. CLI holds a 25% stake in Magspeak.
- (19) ICOM was incorporated in December 2020 as an undertaking of CLI and various individual stockholders to import aircraft(s) and operate a transportation business in the Philippines. ICOM's principal place of business is located in Iloilo City.

CLI also has an 18% stake in Tagbilaran Waterfront Development Corporation (TWDC), which was incorporated on July 4, 2019 as a joint undertaking for the development of a reclamation project in Bohol.

Competition

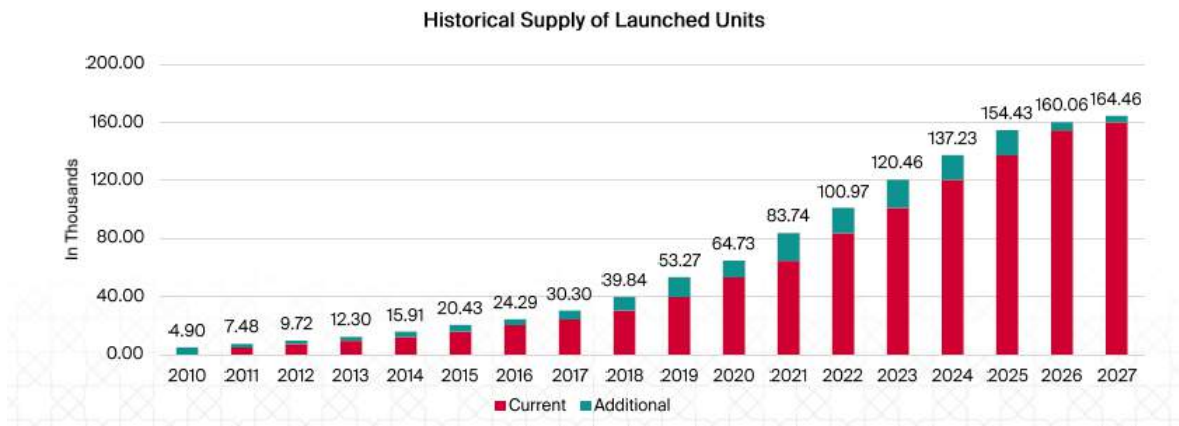
In 2021, SKF updated their study on the VisMin market and reported that CLI remained as “the leading residential developer in VisMin” with the largest market share from among real estate firms providing condominium projects and subdivisions in the region. The 2021 study shows that CLI leads the residential market with a 33% market share in condominium market, delivering 5,687 units and leads 26% of the subdivision market after supplying 2,844 units.

The real estate industry in VisMin and its trends²

Overall residential supply in VisMin increased by 4.07% from the 2020 figure. Subdivision remains dominant in terms of the overall supply with 53% share. From the upcoming developments scanned, the overall supply is expected to reach more than 164k units by year 2027.

² From the Property Market Study prepared by Santos Knight Frank for CLI, September 28, 2021.

Figure 1. Historical Supply of Launched Units

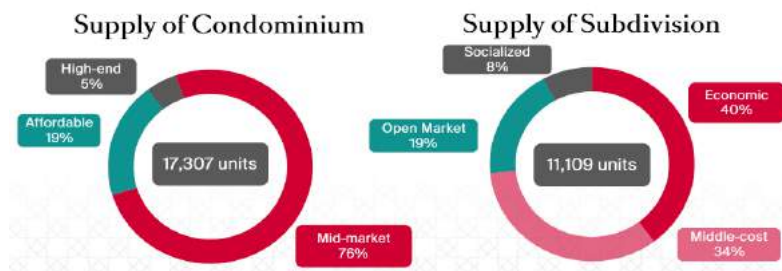


Source: Santos Knight Frank

Easing of quarantine widened the residential activities in some areas. It was observed that developers are keen towards building projects in Cebu. There is also an observed sprouting of growth areas which would increase the opportunities for developers to build projects in the future.

Developers have been more aggressive in tapping mid-market. For instance, condominium developers primarily target OFWs. There has been a sluggish supply increase in the affordable market due to the financial distress caused by the pandemic.

Figure 2. Supply of Condominium and Supply of Subdivision



Source: Santos Knight Frank

Figure 3. Selling Price of Houses in VisMin



Source: Santos Knight Frank

Office Market³

The current supply in Cebu, Davao and Bacolod is at 1,325,648 sq.m. of office space. This is expected to grow to 1,540,749 sq.m. of GLA by 2024 with an additional 200,000 sq.m.

On average, office buildings in Cebu, Davao and Bacolod posted a lease rate of ₱592/sq.m. and a 19% vacancy rating.

Hospitality Market⁴

Among key areas in VisMin, Cebu has the highest supply of hotel rooms with 11,050 rooms, with a majority classified as economy. In terms of room type, hotels mainly offer deluxe and standard rooms.

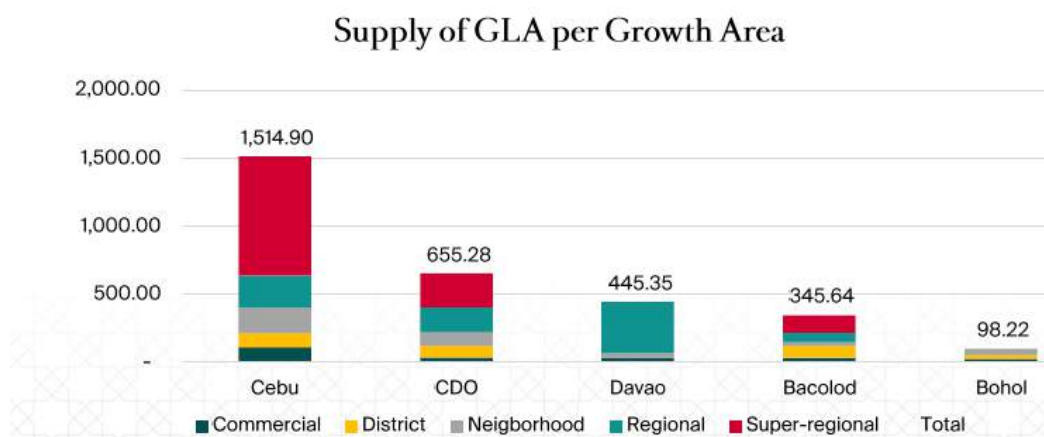
Out of the identified hotels in VisMin, 12,399 (55%) rooms are still operational. Twenty percent of hotel rooms are used as quarantine facilities for locals and returning OFWs, while 21% of hotel rooms are temporarily closed due to constant changes in COVID-19 restrictions.

The average occupancy rate is recorded at an all-time low at 30%, while Bacolod has the highest occupancy rate of 33%. Overall, the average daily rate is ₱2,800.

Retail Market⁵

Cebu holds the largest retail supply across all growth areas.

Figure 4. Supply of GLA per Growth Area



Source: Santos Knight Frank

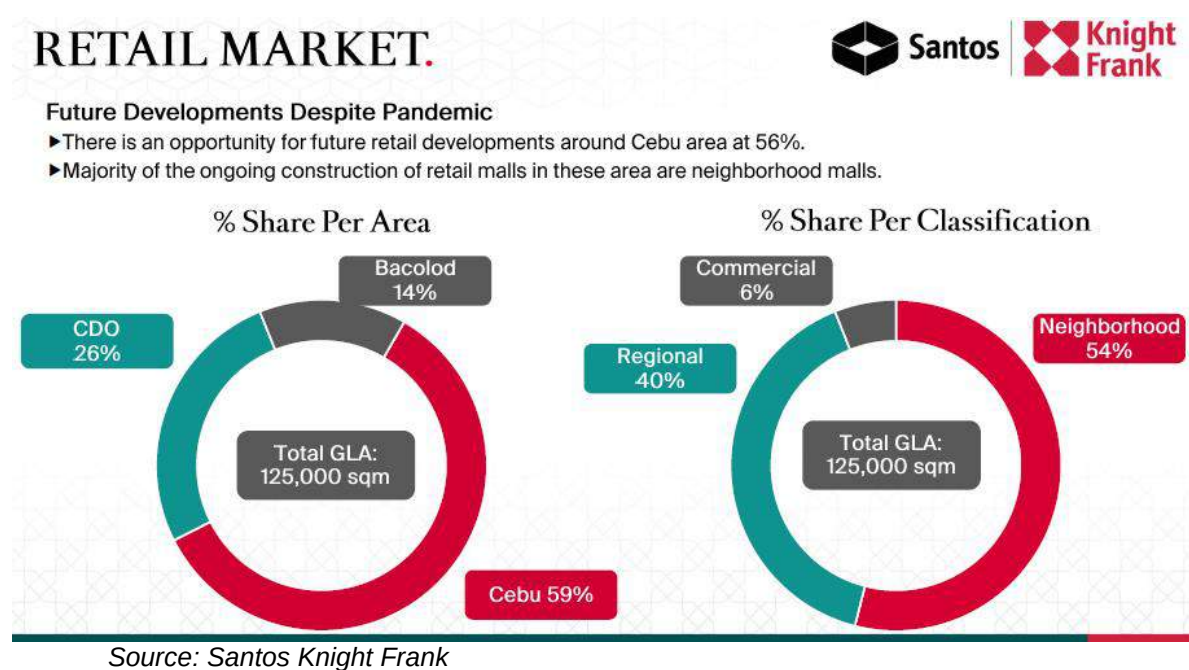
There is an opportunity for future retail developments around Cebu area at 56%. Majority of the ongoing construction of retail malls in these areas are neighborhood malls.

³ From the Property Market Study prepared by Santos Knight Frank for CLI, September 28, 2021.

⁴ From the Property Market Study prepared by Santos Knight Frank for CLI, September 28, 2021.

⁵ From the Property Market Study prepared by Santos Knight Frank for CLI, September 28, 2021.

Figure 5. Percentage Share per Area and per Classification

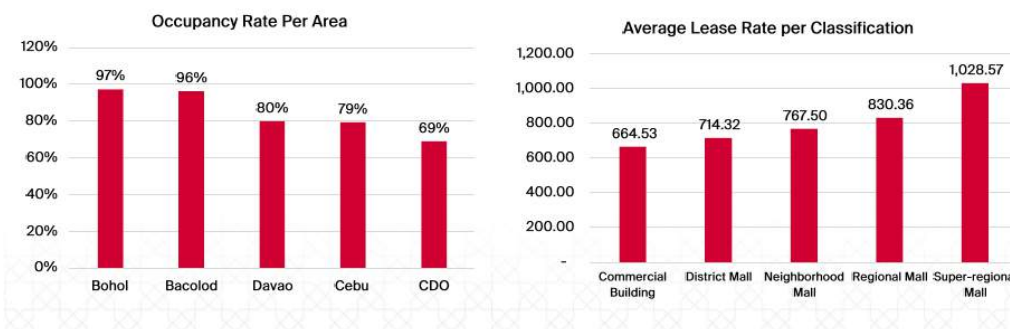


Overall occupancy is at a good number in overall areas, with an average lease of ₱600- ₱1,000 across classifications.

Figure 6. Overall Supply Across Multiple Areas

Overall Supply Across Multiple Areas

- For occupancy, we're seeing a good number in overall areas despite pandemic.
- For average lease rate, PhP600 to PhP1,000 across classifications. Super-regional malls is still considered as top option on all areas.



Future growth areas⁶

1. General Santos City

Residential projects in General Santos City are mainly classified as economic housing. In terms of supply, the top developers in the area are 8990 Holdings, Bria Homes and Agan Land with 2,664, 1,392 and 1,278 units, respectively. By classification, actively selling projects are being sold at an average of ₱38,300 per sq.m. for economic housing.

⁶ From the Property Market Study prepared by Santos Knight Frank for CLI, September 28, 2021.

In terms of hospitality, majority of the top hotels in General Santos City are under the middle classification. The average occupancy rate of the top hotels is 26%, with an average rate of ₱3,100 per room.

The gross leasable area (GLA) is 132,700 sq.m. KCC Properties and SM Prime Holdings contribute 38% and 33% of that market. Occupancy rate is at 66% with an average lease rate of ₱600 per sq.m.

2. Butuan City

Vista Land is the top player in this City in terms of residential real estate. It has over 617 combined units.

In terms of hospitality, there are five hotels operating at 50% capacity. Middle class hotels supply 79% of the demand while economy hotels contribute 21%. There is currently low occupancy is caused by the Pandemic.

3. Roxas City

Pueblo de Panay mixed-use development is currently the largest township in the city, spanning 500 hectares. Residential projects are evenly spread among the major developers in the city, with Economic Housing being the most common with over 1,000 units.

In terms of retail, average lease rate is at ₱713/sq.m. with a GLA of 51,502 sq.m. and an average occupancy of 62.5%.

In the hospitality sector, the average room rate is at ₱2,799 with an average occupancy rate of 34%.

Competitors

CLI is within the field of top industry players and local developers across its product range. The Company goes head-to-head with national players such as Amaia Land Corporation, Avida Land Corporation, and Alveo Land Corporation, all of which are subsidiaries of Ayala Land, Inc., Filinvest Land Inc., Megaworld Corporation, Rockwell Land Corporation, 8990 Holdings, and Hongkong Land which is in partnership with the local developer, Taft Properties.

The Company also competes with established local developers in Cebu, and other parts of VisMin, like Primary Group of Builders, AboitizLand, Johndorf, and Taft Properties.

The Company's direct competitors in the different markets tend to be the local developers entrenched in those cities. But our advantage is the breadth and quality of our offerings while delivering them at the same competitive price points in their respective markets.

CLI uses its fundamental competencies – hands-on personalized service, local (i.e., VisMin) real estate experience, strict location selection, and responsible development – as well as its aggression, business productivity, and best value projects – to leverage itself against competitors.

Suppliers

Through a pre-qualification and bidding procedure, CLI obtains construction materials and services from third-party suppliers and partners both locally and nationally that fulfill the Company's stringent quality requirements. The Company does not foresee for shortage in raw materials or services for its operations as it establishes strong partnership with various stable and resilient suppliers and contractors.

The Company evaluates suppliers who can deliver the best value at the highest quality and at the lowest cost through its supply chain management team. CLI also selects suppliers that can provide safe and on-time delivery, as well as the ability to adapt and innovate in order to suit the Company's needs. Simultaneously, the Company has the appropriate internal controls, organizational structure, and financial sustainability to ensure the supplier's continued delivery as contracted.

On a project-by-project basis, the Company engages contractors to do land development and project construction. While CLI used to outsource architectural and engineering services for all its projects, the Company began undertaking engineering and architectural design to be developed internally allowing the Company to save on costs.

The following are the Company's top contractors and suppliers:

Supplier	Product / Service
Steelasia Manufacturing Corporation	Supplier
Vic Enterprises	Supplier
APO Cement Corporation	Supplier
JLR Construction and Aggregates Inc.	Supplier
Maxima Steel Mills Corporation	Supplier
Phelps Dodge Philippines Energy Products Corp	Supplier
Cebu Oversea Hardware Co., Inc	Supplier
Metro Bacolod Pentalink, Inc.	Supplier
Nitronne Trade	Supplier
Matimco Incorporated	Supplier
Castcrete Builders, Inc	House Construction
Cigin Construction & Development Corp	House Construction
J. E. Abraham C. Lee Construction Inc	General Construction Works
Dakay Construction & Development Corp.	General Construction Works
PLD Construction and Development Inc.	General Construction Works
Young Builders Corporation	General Construction Works
EEL Corporation	General Construction Works
Carwill Construction Incorporated	General Construction Works
Riezl Landcare & Construction	General Construction Works

As mentioned above, CLI engages third-party suppliers and contractors through a pre-qualification and bidding procedure thus, CLI is not and does not anticipate to be dependent upon one or limited number of suppliers and contractors.

Construction Contracts

For each horizontal and vertical development, the Company engages various general and specialty contractors with both local and national experience. Majority of the Company's construction contracts pertain to general construction works and house construction. For this purpose, the Company executes standard construction contracts which contains provisions governing the relationship, rights and obligations of the parties, including the contractor's scope of work, bonds and insurances, completion time, and responsibility of the contractor for any damage or destruction of works until final acceptance.

With over 135 engineers in its roster, the Company handles the project and construction management aspect of every project and manages the various contractors and sub-contractors that are utilized. As the project manager, the Company controls the delivery of its projects with priority on promptness, quality, and professionalism. The Company does not have any in-house construction or any affiliated general contracting business.

Customers

CLI caters to several real estate categories – residential, retail, offices, and hotels. Among the four categories, the Company's experience in the industry has been primarily focused on residential development which comprises 98.5% of total current projects.

Of the Company's real estate developments, 27% of CLI's horizontal and vertical projects serve the needs of the mid-market. Fast-selling projects like Midori Residences, Midori Plains, Velmiro Heights, Mivesa Residences, MesaVerte Garden Residences, Velmiro Uptown CDO, and Mivela Garden Residences show the growing demand for new, well-built, well-planned and strategically located homes

for the mid-market segment. CLI's mid-market clients are those who can afford a monthly equity payment of ₱8,000 to ₱15,000 and an annual income of ₱400,000 to ₱800,000.

The Company also caters to the upper-mid market segment who can afford a monthly equity of ₱15,000 to ₱20,000 and earning ₱1.0 million to ₱3.0 million annually. These market segments prefer units at a price range of ₱5.0 million and above.

Casa Mira, CLI's best-selling product offering, comprised 41% of the Company's reservation sales in 2021. High-end residential developments are at 31%, driven by the newly launched project, Costa Mira Beachtown Mactan.

Employment Profile	%	Citizenship	%	Marital Status	%
Locally employed	49%	Filipino	95%	Married	43%
OFW	37%	Foreigner	5%	Single	50%
Self-Employed	9%			Others	7%
Entrepreneur	5%				

For its leasing business, the Company's top lessees include BPO companies, supermarkets, service providers and food establishments.

CLI is committed to continuously address the growing needs and demand of the market in each segment the Company caters to. CLI aims to constantly innovate, and remain consistent with the quality of the developments, the selection of location and the hands-on service that goes along with it.

The Company has over 21,000 different live sales contracts and no single contract accounts for 20% or more of CLI's sales. These are all different and distinct individual buyers.

CLI has a wide customer base and thus, is not dependent on a single or a few customers. Consequently, the Company is of the view that the loss of one or a few customers (e.g., cancellations of purchase, lease contracts) will not have a material adverse effect on the Company and its Subsidiaries.

CLI uses standard Contracts to Sell (CTS) for the sale of its units, whether house & lot, condominiums, condotels or offices. It contains all the necessary terms and provisions until such time that a deed of absolute sale can be executed by both parties. A deed of absolute sale (DOAS) is executed upon the complete submission of necessary documents, full payment of the purchase, the proper subdivision of the mother titles and other such necessary administrative procedures to ensure the eventual transfer of the individual title to the respective buyers. No one sales contract contributes to more than 1% of the Company's overall revenues.

Leases for retail spaces within our mixed-use developments, as well as office spaces within our office developments are generally short-term ranging from 1-3 years, with renewability clauses. Leases are fixed rates with predetermined escalation clauses. No one leasing contract or tenant group contributes to more than 1% of the Company's overall revenues.

Related party transactions

Related party transactions are transfers of resources, services or obligations between CLI and its Subsidiaries (the "**Group**") and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Pursuant to CLI's RPT Policy, related parties include: (a) a person or close member of that person's family who has control or joint control of the Company; or is a key management personnel of the Company, its parent, subsidiaries or affiliates; (b) a substantial shareholder, who is any person who is directly or indirectly the beneficial owner of more than 10% of any class of its equity security; (c) an entity is a related party if it and the Company are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others); the entity is an associate or joint venture of CLI or vice-versa, or an associate or joint venture of a member of a group of which the other entity is a member; the entity is a post-employment benefit plan; the entity has a management contract or any arrangement granting

power to the Company to direct or cause the direction of management and policies of the entity, or vice-versa.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form. The Office of the CFO, together with the Compliance Officer, undertakes regular identification, review, and evaluation of the Company's related parties and related party transactions, which are submitted to the Board RPT Committee either for information or approval, depending on whether the related party transaction breaches the RPT threshold set by the Company or is otherwise a Material RPT.

Pursuant to its RPT Policy, CLI sets an RPT threshold of ₱50 million ("**Covered Transaction**"). RPTs involving an amount of at least ₱50 million or its equivalent are submitted to the RPT Committee for review and pre-approval. If approved, these are then endorsed to the CLI Board for subsequent approval and/or ratification.

All RPTs breaching the ₱50 million threshold have been approved by the RPT Committee and CLI Board, and as supported by its respective minutes of meetings and committee/board resolutions. For FY2021, this included the approval of shareholder advances to related party joint venture entities, real estate purchases from related party joint venture entities, and procurement of contracted services from other related parties.

Further thereto, CLI also observes the 10% Material RPT threshold as prescribed by the SEC. Material RPT pertains to any RPT, either individually or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of CLI's total assets based on its latest AFS.

All individual material RPTs and aggregate material RPTs shall be approved by at least two-thirds vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote to approve the material related party transactions is not secured, it may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Before the execution of a material RPT, the Board may appoint an external independent party to evaluate the fairness of the terms thereof and evaluate if the transaction is done on normal market terms. Within 3 calendar days from the execution of any material RPT, CLI, through the Corporate Secretary, shall submit an Advisement Report to the SEC.

For FY2021, and while not a material RPT breaching the 10% materiality threshold of SEC, the Board appointed an independent third party (FTI Consulting Philippines Inc.) to evaluate the fairness of the transaction price pertaining to CLI's proposed acquisition of additional shares in a joint venture company, Ming-Mori Development Corporation. FTI Consulting rendered a fairness opinion and valuation study following the parameters set under the 2020 International Valuation Standards. The valuation was derived through a methodology called Discounted Cash Flows (DCF) method, which involves forecasting the subject company's appropriate cash flow stream over an appropriate period and discounting it back to present value using an appropriate discount rate. Applying the DCF method, the third-party appraiser concluded that the transaction is fair from a financial point of view. Based on this fairness opinion and valuation study, the Board proceeded to approve and ratify the acquisition of additional shares in the JV company. Details of the fairness opinion and discussion on the procedures implemented are documented in the Minutes of the board meeting held on August 19, 2021. Moreover, the acquisition of additional shares after approval of the board is disclosed and uploaded in CLI's PSE EDGE portal.

Other RPTs not breaching the ₱50 million RPT threshold or the 10% Materiality threshold are still required to be disclosed and reported to the Board RPT Committee through quarterly RPT reports prepared and presented by the CFO and the Compliance Officer, for information purposes only. RPTs of these nature do not require approval of the RPT Committee and/or the Board of CLI.

Please refer to the discussion on "*Certain Relationships and Related Transactions*" under the section on "*Management and Certain Security Holders*".

Government approvals/regulations

The Company and its Subsidiaries secure various government approvals, permits and licenses required and necessary for their business operations, including their respective projects, as part of their ordinary course of business. CLI does not foresee any material adverse effect of existing and future government regulations on the business of CLI and its Subsidiaries.

As of the date of this Prospectus, CLI and its Subsidiaries have obtained the required and necessary material governmental approvals, permits and licenses issued by the relevant government bodies or agencies. For those required for specific ongoing projects, CLI or the relevant Subsidiaries has either secured such governmental approvals, permits and licenses or is currently processing said permits and are pending issuance by the relevant government agency.

The effects of existing and probable governmental regulations on the business are further discussed in the section *“Regulatory Framework.”*

Research and Development

For FY2021, CLI’s Research & Development (“**R&D**”) expenses amounted to ₱3,577,569.78. This includes expenses in relation to valuation services provided by FTI Consulting Philippines, Inc., consultancy services of Meadowland Developers, Inc., assistance services provided by Isla Lipana & Co., and quantity surveying and construction services provided by AS Enriquez Engineering Consultancy. R&D expenses for FY2021 is 0.037% of revenues. CLI had no R&D expenses in 2020 and prior years.

Health, Safety and Environmental Matters

The Company is subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including those governing air emissions, water and wastewater discharges, and odor emissions and the management and disposal of hazardous materials. The Company applies its quality standards uniformly across all its production and distribution facilities.

Effect of Compliance

Companies are faced with a high cost of compliance, but in general the benefits outweigh the cost. For CLI, compliance to sustainability, particularly environmental, social and governance standards and regulatory requirements has helped the Company make better and more efficient decision making. This exercise has served to reinforce CLI’s risk assessment and management. Social and environmental data baselining and compliance monitoring have supported the establishment of the company’s sustainability strategy aligned to our enterprise risk management.

CLI continues to work towards business process improvement and business model innovation and explore strategies on how sustainable practices can best be applied or embedded in the value creation process. All these add value in the process of risk identification and mitigation, thereby reducing identified corporate risks.

ESG Reporting Process and Governance

Being a publicly-listed company, CLI has complied with the requirements of the Securities and Exchange Commission on the aspect of Sustainability and Environmental, Social and Governance (“**ESG**”) reporting. CLI published its first Integrated Report covering 2021 performance. Having been able to systematically account its positive and negative impacts, the Company’s financial, natural, social, manufactured and human capitals and other non-financial metrics have driven the Company to identify aspects that are most material to the business and to its stakeholders, thereby having the mindset of going beyond compliance --- through process improvements that allow the Company to reduce its negative impacts and increase its economic contribution in the local communities where it conducts business.

Enhancing Brand Value and Market Leadership

Reporting on financial and non-financial metrics draws the attention, not just of investors but also of its consumers. The Company recognizes that society demands more companies serve a higher purpose than just delivering a strong financial performance. By complying with the requirements of balanced reporting, the Company's stakeholders and the external public are informed about its impacts, performance and contributions. Compliance to social, environmental and other regulatory and statutory requirements has propelled CLI to develop more products, more than half of which are addressing a housing demand in the VisMin regions. Our compliance submissions have helped us maintain our leadership in the VisMin markets.

With the Company's strong relationships with partner LGUs, broker community, and its JV partners, CLI is considered a trusted brand. CLI has 12 percent market share in the Visayas and Mindanao in terms of overall supply of residential units for vertical and horizontal developments, according to a survey undertaken by Santos Knight Frank in 2020. As a result, CLI is now the leading residential developer in the VisMin region.

CLI has responded well to the increasing market demands of VisMin, outpacing other developers in finishing construction and delivering completed units to its customers.

As a result of the Company's initiatives, CLI was recognized as one of the BCI Asia's Top 10 Developers in the Philippines for 2018, 2020, and 2021 and the only one from the VisMin region. The BCI Asia Awards seeks to recognize top developers and architects that have 'the greatest impact on the built environment in Southeast Asia'. The top 10 developers are identified as 'the firms with the aggregate value of projects under construction by the extent of their sustainability and confirmed green building ratings'.

In addition, CLI won several awards during the 9th Annual PropertyGuru Philippines Property Awards in 2021 including a special recognition in ESG and was awarded as the Fastest Growing Real Estate Developer in the Philippines by the 2021 International Finance's Real Estate Awards.

CLI Workforce, Customers and Communities

On the aspect of talent acquisition, being purpose-driven and compliant to regulatory and statutory requirements, especially on labor laws, has definitely given CLI a competitive advantage. By defining the Company's priority areas through a materiality process, CLI is provided guidance and as a result the Company is able to attract and retain top caliber talents. Employee engagement activities use themes that relate to sustainability, safe and healthy workplace practices, and cultivating a culture of innovation among departments and cross-functional teams. All these programs help attract, continue to develop and retain talents within the organization.

On the aspect of health and safety, CLI recognizes that consumer behavior has dramatically changed in recent years --- especially with the onset of the pandemic. Society has been driven to pay more attention to health, safety and environmentally-healthy lifestyle. Compliance and reporting on DOLE-mandated safety protocols and other pandemic response programs have resulted in better work conditions, lesser exposure to diseases and COVID-19 cases, reduced absences and therefore, better productivity which result in better operational and financial performance.

While CLI grows its business, it has built and strengthened its relationships by partnering with local communities and complying with requirements of local government units and national government agencies. This serves as the Company's social and relationship capital that gives it social license to do business in the local area.

Resource Use, Managing Impacts and Biodiversity Management

With the significant increase in oil price brought about by the Russia-Ukraine war and with continuing water supply issues in the local areas, there is a need to reduce the Company's resource consumption, including the need to be less energy-dependent. The necessity of introducing energy and water saving initiatives was further driven by the Company's data management tools that will allow it to target reduction of energy and water use in its real estate project developments. In addition, compliance to

environmental laws and standards have propelled the Company to introduce product design innovations or the application of green building features in its projects that will help reduce consumption. In addition, compliance to post-conditions of its Environmental Compliance Certificates (“ECCs”) have driven the Company to assess, protect, and enhance its ecosystems within or adjacent to its developments and even focus on climate change-related financial impacts as the Company develops more projects in the future.

Contribution to United Nations’ Sustainable Development Goals (“UN SDG”)

Focus on UN SDG contributions ensures that CLI’s products, programs, and initiatives contribute to the alignment and achievement of global sustainability goals. This means that the Company’s products, programs and initiatives address local issues and contribute to the local economic development of the area where the Company does business, without losing sight of the overall global issues that face our world today.

Employees

The Group has a total of 709 employees, broken down in entities and department as follows as of May 31, 2022:

Department/Company	Employees
Company	
Engineering	141
Sales	68
Treasury	62
Accounting and Finance	55
Accounts Management	33
Business Development	33
Permits & Licenses	30
Property Management	30
Customer Care	29
Human Resources & Admin	21
Marketing	16
Purchasing	15
Tax	13
IT	9
Corporate Finance	7
Legal	6
Top Management	5
Internal Audit	4
CLI Hotels-Support	4
Leasing	3
ERM	2
Sustainability/CLI Foundation	2
BOI	2
Total	590
Subsidiaries	
CLPM	83
CPH	36
Total	119
GRAND TOTAL	709

CLI employees are not subject to collective bargaining agreements. Its employees have not been on strike in the past three years, nor are they threatening to strike.

The Board of Directors of CLI, during its Special Board meeting on October 6, 2021, approved the Executive Stock Option Plan ("**ESOP**") for qualified officers. This is a type of performance incentive, where options are granted to purchase the shares of the Company at a discount.

The shares that may be exercised from these options will be sourced from the treasury shares of the Company or from publicly traded shares. The objectives of the plan are: (a) to attract, retain, and motivate talented and key employees; (b) to encourage employees to align individual performance with Company objectives; and (c) to reward employee performance with stockholdings in proportion to their contribution to the Company.

Each level has a predetermined number of shares exercisable per year with a four-year vesting period. The exercise price is the higher of ₱2.25 or current market price with a 15% discount. The current market price is computed as the average of the closing price for the last five trading days.

Shares bought under the ESOP cannot be sold, assigned, or transferred in any manner for least 6 months from the exercise date.

Voting and dividend rights vests upon the issuance of the shares to the employees.

DESCRIPTION OF PROPERTY

Land Inventory

Using its location selection criteria, the Company and its Subsidiaries have invested in properties located in strategic areas in VisMin which they believe to have high future appreciation potential for its existing and future development projects. The table below enumerates the parcels of land owned by the below entities.

Location	Primary use	Ownership	Total Area
Magtuod, Davao	Residential	CLI	285,842
Matina, Davao	Estate	YHEST	220,000
CDO	Residential	CLI	143,477
Consolacion, Cebu	Residential	CLI	103,000
Danao, Cebu	Residential	CLI	80,000
Panglao, Bohol	Residential	CLI-LITE	40,228
Mandaue City, Cebu	Residential	CHDI	24,623
Bogo, Cebu	Residential	CLI	23,128
Puerto Princesa, Palawan	Residential	CLI	20,974
Minglanilla, Cebu	Residential	CLI	18,369
Lowaii, Mactan	Residential	CLI	12,641
Biking, Bohol	Residential	CLI	12,518
Junob, Dumaguete	Residential	CLI	11,181
Riverside, Davao	Mixed-use	YHES	10,201
Mandaue, Cebu	Residential	CHDI	8,435
IT Park, Cebu	Mixed-use	El Camino	5,828
Cebu City, Cebu	Residential	CBLRV	5,539
Davao	Residential	CLI	3,672
Cebu City, Cebu	TBD	CLI	913
Cebu City, Cebu	TBD	CLI	467
Mandaue City, Cebu	TBD	CLI	387
Total			1,031,424

Other Assets

As of March 31, 2022, the Company's other properties consist of Property and Equipment and Investment Property amounting to ₱950.60 million and ₱13.762 billion, respectively.

For the carrying amounts and movements of the Company's Other Assets, please refer to Notes 11 and 13 in the Unaudited Interim Consolidated Financial Statements as of March 31, 2022.

Rental Properties

In addition to its land inventory, the Company owns several rental properties, including available commercial and retail spaces in its completed projects, which are currently used by the Company, or leased out to third parties to generate recurring income.

Among the projects with commercial spaces leased out to tenants are:

Project	Location	Type	GLA (In sq.m.)
Base Line Center	Juana Osmeña St., Cebu	Office and Retail	6,249
Park Centrale	Cebu IT Park, Cebu	Office and Retail	4,661
Casa Mira Towers Labangon	Labangon, Cebu	Retail	877
Asia Premier Residences	Cebu IT Park, Cebu	Residential and Retail	932
Mivesa Residences	Lahug, Cebu	Residential and Retail	376
Base Line Residences	Juana Osmeña St., Cebu	Residential and Retail	265
MesaVerte Residences	Osmeña Ext., CDO	Retail	158
MesaTierra Garden Res	Davao	Retail	328
Casa Mira South	Naga, Cebu	Retail	193
Cebu BL Ramos Ventures	Cebu City	Retail	1,886
Midori Residences	AS Fortuna Mandaue, Cebu	Residential and Retail	86
Latitude Corporate Center	Cebu Business Park	Office and Retail	13,122
TOTAL			29,133

The Company's residential leases have an average term of one year, while the Company's commercial leases have an average term of three to five years, both renewable upon mutual agreement of parties. Sixty days' notice is required from tenants for the extension or pre-termination of their leases, and a two-month security deposit is paid at the commencement of the lease. The Company charges rent as a fixed rent per sq.m., which may be subject to an escalation clause.

In its leases with its related entities, the Company observes arm's length commercial terms and considers the current rentals payable by tenants of the condominium units and parking slots that are operational at presently reflect prevailing market rents.

Leased Properties

The Company leased properties for use as office space and staff houses of its employees and for project development.

In 2019, with the approval of the National Historical Commission of the Philippines, CLI entered into a 40-year lease contract with the Archdiocese of Cebu to redevelop Patria de Cebu, a 6,670 sq.m. property in downtown Cebu. This mixed-use development's concept and design is inspired by Filipino-Spanish culture, history and architecture.

In 2020, the Company signed a 43-year lease contract to develop Masters Tower Cebu, a mixed-use tower located at Cebu's preferred business address, Cebu Business Park. The project will rise on a 2,840 sq.m. property and will offer prime office and retail spaces and the first five-star luxury hotel in Cebu City. Sofitel, Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France.

Sugbo Prime Estates, Inc. was formed in 2021 by CLI and the Farrarons family as a joint venture. The joint venture will build a mixed-use development on a leased property with a 22-year term remaining. The project, now named Banilad High Street, will include retail areas as well as a 300-room dormitory.

Mortgage, Liens and Encumbrances

In pursuit of its business, the Company has entered into various mortgage agreements covering certain parcels of land and constructed projects for the purposes of securing development loans or credit facilities extended by financial institutions. The cost of such projects aggregate to ₱10.11 billion and ₱21.27 billion, respectively.

Under Section 18 of Presidential Decree No. 957, no mortgage on any unit or lot shall be made by the owner or developer without prior written approval of the HLURB (now DHSUD). Accordingly, before the Company mortgages properties being used for its condominium or subdivision projects, it ensures compliance with the said law and its implementing regulations.

Properties of the Company and its Subsidiaries, in which particular projects have been developed, are also subject to restrictions arising from the nature of such projects. For instance, certain properties over which a condominium building project has been constructed would have restrictions annotated on the title of such property arising from the Master Deed restrictions on the use of the property for condominium use.

Likewise, properties being leased by the Company are subject to typical lease-related limitations on usage, i.e., for office use only.

Insurance

CLI procures insurance coverage required by relevant laws and regulations for its real and personal properties and requires contractors to submit performance bonds, marine insurance policies, and other sureties for its covered activities. Throughout the construction stage, the Company also maintains a contractor's All-risk Insurance for each of its projects, subject to customary deductibles and exclusions. For completed projects, the Company likewise requires homeowner's associations and condominium corporations to obtain fire and allied risks insurance as part of the master deed for these projects.

Intellectual Property

CLI ensures compliance with intellectual property laws and regulations, including guidelines and issuances of the Intellectual Property Office of the Philippines ("IPOPHL"). CLI recognizes the importance of its trademarks as among its valuable assets and help distinguish CLI's products and services from competitors. Thus, protection of its trademarks is a priority of CLI.

The following are among the material trademarks owned by the below entities, and these trademarks are registered accordingly with IPOPHL:

Trademark	Holder	Registration Number	Date of Registration
CEBU LANDMASTERS 	CLI	4/2016/503726	2017-01-12
M MASTERS TOWER CEBU BY CEBU LANDMASTERS 	CLI	4/2021/503998	2021-07-02
CASA MIRA MORE FOR THE FILIPINO FAMILY 	CLI	4/2020/514876	2021-07-02
CASA MIRA HOMES 	CLI	4/2020/514874	2021-07-02
CASA MIRA TOWERS 	CLI	4/2020/514877	2021-07-02
38 PARK AVENUE 	CLI	4/2021/527846	2022-05-09
LATITUDE CORPORATE CENTER 	CLI	4/2016/505104	2017-02-09
CASA MIRA 	CLI	4/2016/503727	2017-01-19
BASE LINE CENTER 	CLI	4/2016/503728	2017-01-19

Trademark	Holder	Registration Number	Date of Registration
MANDTRA RESIDENCES 	CHDI	4/2020/514875	2021-04-23
TERRANZA RESIDENCES 	GGTT	4/2020/514873	2021-07-02
YHEST REALTY AND DEVELOPMENT CORP. 	YHEST	4/2019/502022	2019-09-22

LEGAL PROCEEDINGS

As of date of this Prospectus, the Company and its Subsidiaries are not a party to, nor are any of the Company's or its Subsidiaries' properties 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 Subsidiary or any of its properties. The legal proceedings to which the Company and certain of its Subsidiaries are presently involved in are considered by the Company as non-material.

MARKET PRICE OF AND DIVIDENDS ON ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Price of the Issuer's Equity

The Company's common shares were listed on the PSE on June 2, 2017. The Company's common shares are principally traded at the PSE under the symbol "CLI".

The high and low prices of the common shares for each quarter since its common shares have been listed (including the first half of 2022 ending June 24, 2022) are indicated in the tables below.

	<u>High</u>	<u>Low</u>	<u>Close</u>
2017			
Second Quarter (month of June only)	5.98	5.13	5.34
Third Quarter	5.51	4.58	5.07
Fourth Quarter	5.17	4.59	4.88
2018			
First Quarter	5.12	4.21	4.70
Second Quarter	5.06	4.48	4.58
Third Quarter	4.73	4.27	4.42
Fourth Quarter	4.59	3.60	4.14
2019			
First Quarter	4.29	4.19	4.20
Second Quarter	4.89	4.80	4.83
Third Quarter	4.75	4.70	4.74
Fourth Quarter	4.83	4.67	4.83
2020			
First Quarter	3.80	3.70	3.72
Second Quarter	5.10	4.35	4.69
Third Quarter	4.92	4.83	4.90
Fourth Quarter	5.05	4.99	5.05
2021 *price after stock dividends			
First Quarter	2.65	2.60	2.64
Second Quarter	3.85	3.72	3.77
Third Quarter	3.00	2.89	2.95
Fourth Quarter	3.00	2.73	3.00
2022			
First Quarter	2.98	2.94	2.97
Second Quarter (ending on June 24, 2022)	2.52	2.49	2.49

The market capitalization of CLI as of December 31, 2021, based on the closing price of ₱3.00/share with price adjusted after the stock dividend, was approximately ₱10.39 billion.

Stockholders

The following are the list of registered holders of the common equity securities of the Company as of May 31, 2022:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	AB Soberano Holdings Corp.	2,267,130,595	62.57%
2.	PCD Nominee Corp. (Filipino)	1,284,496,998	35.45%

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
3.	Jose R. Soberano III	31,220,000	0.86%
4.	PCD Nominee Corp. (Non-Filipino)	22,869,837	0.63%
5.	Jose Franco B. Soberano	7,247,500	0.20%
6.	Janella Mae B. Soberano	5,017,500	0.14%
7.	Joanna Marie B. Soberano	5,017,500	0.14%
8.	Ma. Nona A. Velez	300,000	0.01%
9.	Myrna P. Villanueva	29,300	0.00%
10.	Milagros P. Villanueva	22,300	0.00%
11.	Marietta V. Cabreza	22,300	0.00%
12.	Lolita Siao-Ignacio	22,300	0.00%
13.	Maria Lourdes M. Onozawa	22,300	0.00%
14.	Myra P. Villanueva	33,450	0.00%
15.	Owen Nathaniel S Au Itf: Li Marcus Au	111	0%
16.	Jesus N. Alcordo	2	0%
17.	Ma. Aurora D. Geotina-Garcia	2	0%
18.	Rufino Luis T. Manotok	2	0%
	TOTAL	3,623,451,997	100%
	Treasury shares	161,600,000	-4.45%
	TOTAL	3,461,851,997	95.54%

The following are common shares held by the Company's Board of Directors lodged with PCD Nominee Corporation:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Jose R. Soberano III	137,423,750	3.96%
2.	Ma. Rosario B. Soberano	131,848,750	3.80%
3.	Jose Franco B. Soberano	12,803,991	0.37%
4.	Janella Mae B. Soberano	11,666,691	0.34%
5.	Joanna Marie B. Soberano	11,666,691	0.34%
6.	Beauegard Grant L. Cheng	2,230,000	0.06%
7.	Stephen A. Tan	11,150	0%
8.	M. Jasmine S. Oporto	8,920	0%
9.	Rufino Luis T. Manotok	2	0%
10.	Ma. Aurora Geotina-Garcia	2	0%
	TOTAL	307,659,947	8.87%

Dividends

The Company and its Subsidiaries have a transparent and specific dividend policy as disclosed in the Company's Sustainability Report, an integral attachment to its Annual Report and its Integrated Annual Corporate Governance Report. As disclosed, dividends are declared and paid based on the assessment and approval of the Board of Directors, subject to the availability of retained earnings and taking into account cashflow considerations and other financial conditions of the Company after considering future capital expenditures, and project requirements, among others. In relation thereto, the Company has consistently declared and paid dividends to its investors and shareholders, in keeping with its dividend policy and following the SEC rule on calculation of available retained earnings for dividend declaration and after appropriations for investment and other requirements.

The Company declares cash or stock dividends to its common shareholders on a regular basis, in amounts determined by the Board, pursuant to its dividend policy. The Company may also declare special cash dividends where appropriate.

Cash and stock dividends declared and paid by the Company in 2014 up to FY2021 are as follows:

a. Cash dividends

Year of Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	Amount Paid (in ₱)
2014	12.50	November 3, 2014	48,000,000
2015	7.19	February 28, 2015	42,000,000
2015	10.27	June 15, 2015	60,000,000
2015	8.56	October 15, 2015	50,000,000
2015	5.66	December 15, 2015	50,000,000
2016	2.26	March 31, 2016	20,000,000
2016	5.99	August 31, 2016	52,943,457
2016	4.32	September 15, 2016	38,150,000
2016	1.70	September 30, 2016	15,000,000
2016	0.74	November 21, 2016	650,000,000
2016	0.05	December 1, 2016	40,000,000
2016	0.03	December 1, 2016	40,000,000
2017	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
2021	0.112 (Regular) 0.038 (Special)	April 22, 2022	519,277,800 (est)

b. Stock dividends

Year of Declaration	Rate of Dividend Declared per Share	Record Date	Number 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

Recent Sales of Unregistered or Exempt Securities Including Recent Issuances of Securities Constituting an Exempt Transaction

Under the SRC and the SRC Rules, securities are not permitted to be sold or offered for sale or distribution within the Philippines unless such securities are approved for registration by the SEC or are otherwise exempt securities under Section 9 of the Code or sold pursuant to an exempt transaction under Section 10 of the Code.

As set out above, in 2021, the Company issued 1,909,451,997 common shares in the form of stock dividends to its stockholders as of the relevant record date. The issuance is an exempt transaction pursuant to Section 10.1(d) of the SRC which states that the requirement of registration shall not apply to a distribution by a corporation actively engaged in the business authorized by its articles of incorporation, of securities to its stockholders or other security holders as a stock dividend or other distribution out of surplus.

CAPITALIZATION AND INDEBTEDNESS

The Company's consolidated liabilities, equity and capitalization as of the relevant period shall be set out in the relevant Offer Supplement.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OR PLAN OF OPERATION

The following discussion of the Company's recent financial results should be read in conjunction with the auditors' reports and the Company's consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Summary of Financial Information". This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors and Other Considerations" and elsewhere in this Prospectus.

Company Milestones for the period March 31, 2022

CLI continues to establish strength and leadership. In the first quarter of 2021, the Company launched three residential projects with sales value worth ₱4.90 billion, with a total of 1,500 homes, and two recurring income projects with project value of ₱4.0 billion.

The Company posted a 17% y-o-y increase in its reservation sales to ₱3.29 billion from ₱2.83 billion driven by the sustained demand from end-users of affordable homes in VisMin. 67% of the total sales during the quarter was accounted for by the Garden Series, our mid-market brand, while Casa Mira Series, which caters to the economic segment, contributed 33% of the total sales take-up. In terms of location, growing sales contributions were being noted from the different areas in VisMin outside the Company's home base--CDO with 35% followed by Davao with 15%, Dumaguete with 5% while Iloilo and Bacolod with 4% while Cebu remain strong accounting for 36% was of the total sales.

On February 19, 2021, CLI unveiled Masters Tower Cebu, an iconic tower planned by the designers of the world's most acclaimed skyscrapers, Skidmore, Owings and Merrill in tandem with one of the country's top architects GF Partners and Architects, in anticipation of a robust economic recovery in the next few years. The tower, valued at over ₱4 billion on a 2,840 sq.m. property lot in the Cebu Business Park, will offer prime office and retail spaces and the first five-star luxury hotel in the Queen City of the South. Sofitel Cebu City will be operated by multinational chain Accor, a world leading hospitality group headquartered in France.

On March 10, 2021, the Company inked a new ₱360 million joint venture, named as Sugbu Prime Estate Inc., with Farrarons family led by father-and-son tandem Quito and Chip Farrarons. The partnership will kick off to develop a 7,500 sq.m. prime property in Banilad, Cebu City into a mixed-use project with retail spaces, over 300 dormitory rooms, and a self-storage facility. The mixed-use development is focused on filling a rapidly rising demand for co-living spaces that deliver affordable, safe transient housing in Cebu for young professionals and students seeking quick access to strategic business centers.

With the Company's stellar performance and resilience despite disruptions brought about by the pandemic, the Company's Board of Directors declared a cash dividend of ₱0.25 per share on March 16, 2021 amounting to ₱378.74 million to stockholders on record as of April 16, 2021. Such dividend was last May 10, 2021.

On March 26, 2021, through its joint venture firm Cebu Homegrown Developers, Inc., CLI launched Mandtra Residences, a three-tower development on a landscaped 12,405 sq.m. property with premium amenities in Mandaue City, Cebu. The ₱3 billion development offers condo units from 21 sq.m. to 41 sq.m. ranging from ₱2.35 million to ₱4.17 million. It began pre-selling its first tower with 595 condo units and was close to 60% sold three weeks after launching.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to March 31, 2022 vs. January 1 to March 31, 2021

For the period ended March 31, 2022, CLI generated a net income to parent of ₱811 million, a normalized growth of 62% year on year. The term normalized is due to the one-time tax adjustment

that the Company recorded from the passage of the CREATE Act which considerably reduced the Company's recorded taxes during the year. Considering the tax benefit in 2021, CLI grew by 14% from the reported ₱714 million in net income to CLI of the same period last year.

The significant increase in profit was driven by the outstanding topline growth of 53% fueled by the robust sales take-up and increase in construction operations during the period. After the easing of pandemic-related lockdown in the VisMin region, CLI immediately deployed catch-up measures to catch-up any minor delays caused by the enhanced community quarantine because of the pandemic.

REVENUES

Real estate sales

Revenues from sale of real estate reported a notable increase of 52% y-o-y to ₱3.5 billion from ₱2.3 billion which resulted from higher construction progress and more units qualifying for revenue recognition. Moreover, effective catch-up measures have compensated for delays due to pandemic lockdowns and construction is now in full swing in the company's 15 VisMin sites.

In terms of location, CLI's presence in Cebu remains strong, representing 36% of the total revenues during the period. Visayas and Mindanao likewise started to contribute significantly with 34% and 29% respectively.

Premier Masters (Premier market), at ₱640 million, increased by 73% y-o-y from ₱370 million, mainly due to incremental percentage of completion ("POC") in Terranza Residences in Cebu and One Astra Place in Cebu.

Garden Series (Mid-market), remain stable at ₱768 million.

Casa Mira Series (Economic market), at ₱2.1 billion, significantly grew by 81% y-o-y from ₱1.18 million, driven by Casa Mira Iloilo, Casa Mira Towers CDO and Casa Mira South Phase 3B.

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

Leasing

Rental revenue stands at ₱18 million, a 28% y-o-y increase from ₱14 million, due to the completion of Latitude Corporate Center increasing the Company's GLA in 2021 to 29,133 sq.m.

Property Management

This is composed mainly of services to CLI's completed projects. Revenue from property management is at ₱12 million, higher than ₱9 million compared to the same period last year, a 34% increase due to the increase in managed projects by the property arm.

Hotel operations

Citadines Cebu City posted ₱16million revenue from ₱4 million of the same period last year, a 4x increase as tourism and business travel starts to pick up.

COST AND EXPENSES

Cost of sales and services

The Company's cost of sales for the period ended March 31, 2022 reported at ₱1.9 billion, 60% y-o-y increase from ₱1.2 billion, in parallel with the growth in revenue performance.

Operating Expenses

Total operating expenses during the period amounted to ₱532 million, a 35% y-o-y increase from ₱396 million, mainly due to the increase in commissions and incentives with the full implementation of PFRS 15. Salaries and employee benefits likewise increased by 22% y-o-y to ₱431.9 million, relative to the increase in manpower to 682 to support the Company's expansion across VisMin.

During the period, the Company was able to take advantage of the favorable interest rate environment with an average cost of debt at 4.82%.

NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST (“NCI”)

For the period ended March 31, 2022, NIAT attributable to NCI stands at ₱10 million, 16% y-o-y decline from ₱11 million, due to the minimal incremental sales and POC on existing JV projects due to the completion and ongoing turn-over of Mivesa Garden Residences Phase 3 (MGR Inc.) and Latitude Corporate Center (BLCBP); and as MesaTierra Garden Residences (YES Inc.) and 38 Park Avenue (El Camino) come close to completion and turn-over by the end of 2021. Newly formed Joint Ventures such as CHDI and GGTT are forecasted to contribute substantial earnings in the next quarters of 2022.

REVIEW ON THE COMPANY’S FINANCIAL CONDITION

As of March 31, 2022 vs. December 31, 2021

CLI’s balance sheet remains strong and healthy to support construction and expansion plans. As of March 31, 2022, CLI reported total assets at ₱70 billion from ₱66.6 billion as of December 31, 2021 driven by increase in contract assets and investment properties.

ASSETS

11% decrease in Cash and Cash equivalents

Due to payments to loans such as project term loan for Latitude Corporate Center and Baseline Prestige and other contractor and supplier payables.

4% increase in Contract assets (including non-current portion)

Increased to ₱21 billion from ₱20 billion from installment contracts on new and existing projects that continue to recognize real estate revenue as construction progresses.

30% decrease in Due from related parties

Due to collections on the transactions paid by CLI on behalf of its related parties increased to ₱40 million from ₱57 million.

2% decrease in Prepayments and other current assets

Due to recoupment of downpayments and release of retention payables on completing projects such as Mivesa garden residences Phase 3.

4% increase in Investment in Associates

mainly from investments to ICOM and Magspeak.

4% increase in Property and equipment

Due to the construction of new offices and branches to support CLI’s expanding developments.

4% increase in Investment Properties

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

1% decrease in Right of use asset

due to amortization of high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office and Hotel Tower, 22-year land lease for Banilad Highstreet and 40-year land lease for Patria de Cebu.

LIABILITIES

9% Increase in Trade Payables (including non-current portion)

due to accruals made on unbilled costs to match with revenue recognized.

8% Increase in customers' deposit

driven by the higher equity collections on the recorded sales take-up of the company in relation to the actual construction accomplishment of the corresponding projects.

4% increase in Interest-bearing loans and borrowings (including non-current portion)

Increased to ₱33 billion from ₱32 billion from new bank loans availed. In 2021, average borrowing cost is at 4.85% net of significant loan payments related to take-outs and project completion.

350% increase in Income Tax Payable

Due to the differences in tax expense using the accrual method and cash basis method of tax accounting.

18% decrease in Contract Liabilities

Decreased to ₱494 million from ₱604 million due to decline in collections from buyers that are ahead of the stage of completion.

EQUITY

13% increase in Company's Retained Earnings

Due to the Net income recognized during the period.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION

January 1 to March 31, 2021 vs. January 1 to March 31, 2020

For the period ended March 31, 2021, CLI posted a solid start in its resilient financial performance as it continues to endure the effects of the COVID-19 pandemic. The Company resumed its growth trajectory with a 25% increase in net income attributable to CLI from ₱572 million to ₱714 million. Consolidated Net Income likewise grew 12%, driven by the increase in Consolidated Revenues of 11% to ₱2.35 billion while the group's unrealized revenue continues to expand to ₱26 billion. The resilient topline is fueled by the robust sales take-up and increase in construction operations during the quarter, following the deployment of catch-up measures after the easement of pandemic-related lockdowns in the region.

REVENUES

Real estate sales

Revenue from sale of real estate reported at ₱2.32 billion, a 13% y-o-y increase from ₱2.06 billion, mainly driven by CLI's fastest selling Casa Mira brand with 50% of the total revenue, followed by Garden Series at 33% and Premier Masters at 16%. The growth was driven by the easement of quarantine across VisMin sites slowly increasing construction efficiency to 95%. Take-up of collections has also improved with more accounts qualifying for revenue recognition.

In terms of location, CLI's presence in Cebu remains strong, representing 50% of the total revenues during the period, followed by CDO and Bacolod both at 15% each.

Premier Masters (Premier market), at ₱369.03 million, declined by 37% y-o-y from ₱588.41 million, mainly due to the lower incremental POC in 38 Park Avenue in Cebu City as the project come close to completion.

Garden Series (Mid-market), at ₱ 774.47 million, declined by 21% y-o-y from ₱974.20 million, driven by lower incremental POC in Velmiro Uptown CDO which is scheduled for turn-over during the year.

Casa Mira Series (Economic market), at ₱1.18 billion, significantly grew by 168% y-o-y from ₱ 440.53 million, from increase in qualified accounts and construction progress of Casa Mira projects launched at the height of the pandemic to address housing demand and backlog in VisMin.

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

Leasing

Rental revenue is at ₱13.72 million, 17% y-o-y decline from ₱16.60 million, mainly due to rental concessions and holidays offered to tenants. Leasable units in the ground floor of Park Centrale were also converted to CLI's flagship office to accommodate and support growing manpower, customers and partner brokers. On the other hand, GLA in the first quarter of 2021 increased to 14,894 sq.m., from 14,302 sq.m. of the same period last year due to the completion of several retail spaces in Casa Mira South in Cebu and MesaVerte Residences in CDO.

Property Management

This is composed mainly of services to CLI's completed projects and to Lyceum of the Philippines University in Davao. Revenue from property management is at ₱8.98 million, 12% y-o-y decline from ₱10.24 million, due to the concessions provided to Lyceum of the Philippines University for project management of the LPU Town in Davao

Hotel operations

Citadines Cebu City posted ₱4.26 million revenue during the quarter 79% y-o-y decline from ₱20.69 million as occupancy rates remain low due to decline in tourism during Sinulog 2021 and flight restrictions amidst the pandemic.

COST AND EXPENSES

Cost of sales and services

The Company's cost of sales for the period ended March 31, 2021 reported at ₱1.21 billion, 15% y-o-y increase from ₱1.06 billion, in parallel with the growth in revenue performance.

Operating Expenses

Total operating expenses during the period amounted to ₱395.56 million, 11% y-o-y increase from ₱264.83 million, mainly caused by the increase in commissions and incentives with the full implementation of PFRS 15 starting the 2nd quarter of 2020. Salaries and employee benefits likewise increased by 10% y-o-y to ₱76.58 million, relative to the increase in manpower to 523 to support the Company's expansion across VisMin.

During the period, the Company was able to take advantage of the favorable interest rate environment with an average cost of debt at 4.77%.

Income Tax Expense / Benefit

On March 26, 2021, the President of the Philippines signed into law the CREATE Act which aims to lower certain corporate taxes and rationalize tax incentives given to certain taxpayers. Upon enactment, the effective regular corporate income tax (RCIT) rate applicable to the Company from January 1, 2020 to June 30, 2020 and July 1, 2020 to December 31, 2020 are 30% and 25%, respectively. In 2021, the effective RCIT rate is 25%.

For the period ended March 31, 2021, the Company reported income tax benefit of ₱9.23 million, 107% y-o-y decline from ₱136.73 million income tax expense, due to income tax adjustment with the implementation of CREATE Act.

NIAT ATTRIBUTABLE TO NON-CONTROLLING INTEREST ("NCI")

For the period ended March 31, 2021, NIAT attributable to NCI stands at ₱11.4 million, 85% y-o-y decline from ₱76.3 million, due to the minimal incremental sales and POC of existing joint venture projects with the completion and ongoing turn-over of Mivesa Garden Residences Phase 3 (MGR Inc.); Latitude Corporate Center (BLCBP and MesaTierra Garden Residences (YES) as it comes close to completion and turn-over by end of 2021.

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

As of March 31, 2021 vs. December 31, 2020

CLI's balance sheet remains strong and healthy to support construction and expansion plans. As of March 31, 2021, CLI reported total assets at ₱51.95 billion from ₱50.09 billion as of December 31, 2020 driven by increase in contract assets.

ASSETS

24% increase in Cash and Cash equivalents

Increased to ₱986.70 million from ₱797.18 million mainly from continuous take-outs in Mivesa Garden Residences (Phase 3).

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

Decreased to ₱5.39 billion from ₱6.14 billion mainly from continuous take-outs in Mivesa Garden Residences.

14% increase in Contract assets (including non-current portion)

Increased to ₱15.78 billion from ₱13.86 billion from installment contracts on new and existing projects that continue to recognize real estate revenue as construction progresses.

11% decrease in Due from related parties

Transactions paid by CLI on behalf of its related parties decreased to ₱19.47 million from ₱21.95 million.

16% increase in Prepayments and other current assets

Increased to ₱3.50 billion from ₱3.02 billion coming from advances to suppliers and subcontractors; and related input Value Added Tax on the construction materials purchased.

8% increase in Associates

Increase to ₱139.82 million from ₱129.85 million mainly from investments to ICOM and Magspeak.

9% increase in Property and equipment

Increase to ₱698.73 million from ₱643.39 million with the construction of new offices and branches to support CLI's expanding developments.

LIABILITIES

6% increase in Interest-bearing loans and borrowings (including non-current portion)

Increased to ₱25.24 billion from ₱23.79 billion from new bank loans availed amounting to ₱1.78 billion. In 2021, average borrowing cost is at 4.77%.

153% increase in Income Tax Payable

Increased to ₱78.86 million from ₱31.20 million in line with increase in taxable net income for the year ended 2020. Such amount was paid in April 2021.

13% increase in Contract Liabilities

Pertains to collections from buyers that are ahead of the stage of completion of the real estate units sold increased to ₱636.73 million from ₱532.65 million.

6% decrease in Deferred Tax Liabilities

Decreased to ₱1.59 billion from ₱1.69 billion due to decline in tax rate to 25% from 30% with the implementation of CREATE Act.

EQUITY

8% increase in Equity attributable to the Company

Increase to ₱9.34 billion from ₱8.63 billion from increase in NIAT attributable to CLI.

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

As of March 31, 2022 vs. December 31, 2021

CLI's balance sheet remains strong and healthy to support construction and expansion plans. As of March 31, 2022, CLI reported total assets at ₱70 billion from ₱66.6 billion as of December 31, 2021 driven by increase in contract assets and investment properties.

ASSETS

11% decrease in Cash and Cash equivalents

Due to payments to loans such as project term loan for Latitude Corporate Center and Baseline Prestige and other contractor and supplier payables.

4% increase in Contract assets (including non-current portion)

Increased to ₱21 billion from ₱20 billion from installment contracts on new and existing projects that continue to recognize real estate revenue as construction progresses.

30% decrease in Due from related parties

Due to collections on the transactions paid by CLI on behalf of its related parties increased to ₱40 million from ₱57 million.

2% decrease in Prepayments and other current assets

Due to recoupment of downpayments and release of retention payables on completing projects such as Mivesa garden residences Phase 3.

4% increase in Investment in Associates

Mainly from investments to ICOM and Magspeak.

4% increase in Property and equipment

Due to the construction of new offices and branches to support CLI's expanding developments.

4% increase in Investment Properties

Attributed to ongoing construction of recurring income generating projects such as Masters Tower, Abaca Resort, Astra Corporate Center and Davao Global Township.

1% decrease in Right of use asset

Due to amortization of high-value leasehold rights acquired on the 43-year land lease for Cebu Business Park Office and Hotel Tower, 22-year land lease for Banilad Highstreet and 40-year land lease for Patria de Cebu.

LIABILITIES

9% Increase in Trade Payables (including non-current portion)

Due to accruals made on unbilled costs to match with revenue recognized.

8% Increase in customers' deposit

Driven by the higher equity collections on the recorded sales take-up of the Company in relation to the actual construction accomplishment of the corresponding projects.

4% increase in Interest-bearing loans and borrowings (including non-current portion)

Increased to ₱33 billion from ₱32 billion from new bank loans availed. In 2021, average borrowing cost is at 4.85% net of significant loan payments related to take-outs and project completion.

350% increase in Income Tax Payable

Due to the differences in tax expense using the accrual method and cash basis method of tax accounting.

18% decrease in Contract Liabilities

Decreased to ₱494 million from ₱604 million due to decline in collections from buyers that are ahead of the stage of completion.

EQUITY

13% increase in Company's Retained Earnings

Due to the Net income recognized during the period.

KEY PERFORMANCE INDICATORS

CLI 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:

	2019	2020	2021
Gross Profit Margin ¹	49%	48%	46%
Net Income Margin ²	29%	25%	24%
EBITDA ³	₱3.42 billion	₱3.36 billion	₱3.8 billion
EBITDA Margin ⁴	40%	40%	34%
Interest Coverage Ratio ⁵	4.11	2.89	3.21
Return on Average Assets ⁶	8%	5%	5%
Return on Average Equity (Parent) ⁷	29%	23%	28%
Current Ratio ⁸	2.56	2.41	1.7
Net Debt to Equity Ratio ⁹	1.16	1.48	1.72

	YTD March 31, 2022	YTD March 31, 2021
Gross Profit Margin ¹	46%	49%
Net Income Margin ²	23%	30%
EBITDA ³	₱1.34 billion	₱0.84 billion
EBITDA Margin ⁴	37%	36%
Interest Coverage Ratio ⁵	5.87	6.64
	As of March 31, 2022	As of December 31, 2021
Return on Assets ¹⁰	5%	5%
Return on Equity (Parent) ⁷	28%	29%
Current Ratio ⁸	1.66	1.67
Net Debt to Equity Ratio ⁹	1.72	1.72

1. Gross Profit Margin is gross profit as a percentage of revenues
 2. Net Income Margin is consolidated net income as a percentage of revenues
 3. EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations, and before exceptional items.
 4. EBITDA margin is EBITDA as a percentage of revenues
 5. Interest Coverage ratio is EBITDA divided by interest paid from loans
 6. 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.
 7. 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.
 8. Current Ratio is current assets divided by current liabilities
 9. Net Debt to Equity Ratio is interest bearing debt less cash and cash equivalents over total equity
 10. Return on Assets is net income* as a percentage of assets
- * ROE and ROA is computed based on the projected net income for the year

The Company's gross profit margin is dependent on the mix of revenue during the period. For the first three months of 2022, 46% of the Company's topline was attributable to economic projects, which has

lower Gross Profit Margin compared to the other segments. Additionally, recurring projects posted lesser revenue contributions during the year, these projects have Gross Profit Margins with over 50% to 60%. Meanwhile, Net Income Margin remains healthy at 23%.

For the period ended March 31, 2022, all other ratios remain healthy with Return on Assets at 5% and Return on Equity (Parent) at 30%. Net Debt to Equity ratio slightly increased to 1.72x from 1.49x to finance new project launches. The Company's current ratio projects ample liquidity at 2.14x.

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

2021 Company Milestones

The Company is the leading real estate developer in Visayas and Mindanao currently located in 16 key cities.

In 2021, CLI will continue to launch projects to strengthen its market leadership in Visayas and Mindanao. During the year, it has unveiled more of its mid and premier series as the economy gradually reopens. Ten projects were successfully launched and substantially sold out driving up the Company's reservations sales namely:

- a. Velmiro Heights CDO
- b. Casa Mira Tower Guadalupe Tower 3 in Cebu
- c. Mandtra residences Tower 1 in Cebu
- d. Casa Mira Ormoc
- e. Terranza residences in Iloilo
- f. Casa Mira South Phase 4A in Cebu
- g. Casa Mira South Phase 4B in Cebu
- h. Mandtra Residences Tower 3 in Cebu
- i. Costa Mira Beachtown Mactan Cebu
- j. Casa Mira Towers Bacolod

CLI recorded reservation sales of ₱16.5 billion for 2021, 16% more than 2020's ₱14.25 billion due to sustained demand for housing in its key markets by launching 3,865 units in ten projects worth ₱18 billion, more than the eight projects launched in 2020 worth ₱11.5 billion.

CLI launched Masters Tower Cebu on February 19, 2021, with a target completion date of 2025. The project will include prime office and retail space as well as the Queen City of the South's first five-star luxury hotel. The Sofitel Cebu City will be managed by Accor, a global hotel company with headquarters in France. The construction, which is expected to cost ₱4 billion, would be built by EEI Corporation on a 2,840 sq.m. plot in Cebu Business Park, the city's preeminent central business area.

In March 2021, CLI signed a new ₱360 million joint venture focused on filling a rapidly rising demand for co-living spaces that deliver affordable, safe transient housing in Cebu for young professionals and students seeking quick access to strategic business centers. Named Sugbo Prime Estate Inc., the partnership will kick off with a 7,500 sq.m. prime property along Banilad Road, and is walking distance to the Cebu IT Park where many BPO firms are located. With renewed BPO interest in Cebu, areas like Banilad surrounding the BPO hubs have become highly in-demand. The mixed-use development will have retail spaces, over 300 dormitory rooms, and a self-storage facility. The project is to be completed by 2023 and primarily targets young professionals and students returning to work and schools, respectively.

In April 2021, CLI broke ground for Patria de Cebu, a new mixed-use development offering 21,000 sq.m. of gross floor area and a 182-room Mercure Hotel at the heart of downtown Cebu City's heritage trail. Patria de Cebu's redevelopment will offer 4,320 sq.m. of food, dining and entertainment spaces and 4,400 sq.m. of office space. The balance will be taken up by Mercure Cebu Downtown set to open in 2025 to be operated by French multinational chain Accor, a world leading hospitality group.

CLI's collaboration with the Archdiocese of Cebu covers the development and operation of the mixed-use project for 40 years.

In May 2021, CLI continued its partnership with BPI Investment Management, Inc.'s ("**BIMI**") managed money market funds by entering into another notes facility agreement worth ₱3 billion. The facility was arranged by BPI Capital, which also arranged the initial ₱2 billion facility issued last October 2019.

CLI received PRA approval in June 2021 to reclaim and develop the 100-hectare Minglanilla techno business hub in Cebu. Following that, CLI increased its ownership share from 20% to 80% in order to streamline CLI's operations as the development's developer and project manager. During the year, PRA issued a Notice to Proceed for the reclamation. In October 2021, CLI broke ground to begin its development.

In July 2021, CLI revealed its very first resort development – the ₱2.5 billion Abaca Resort Mactan. The 125-room all-suite accommodation will feature stunning panoramic ocean views and will rise 17-stories high on a 4,500 sq.m. property formerly occupied by the multi-awarded Abaca Boutique Resort in Punta Engaño, Lapu-Lapu City, a tourism growth center. CLI purchased the property in 2019 and has signed up with The Abaca Group to continue operating the hotel and providing luxury experiences tailored for local and global tourists when it reopens. To design the resort, CLI tapped internationally renowned architectural firm Büro Ole Scheeren whose projects have won numerous global awards.

On July 14, 2021, CLI distributed 1,909,451,997 new common shares as stock dividends, or 123 new shares for every 100 existing shares. This resulted in an increase in outstanding common shares to 3,461,851,997.

In August 2021, CLI signed a Memorandum of Agreement to acquire 14.3 hectares of Xavier University - Ateneo de Cagayan's Manresa Property in uptown Cagayan de Oro. CLI's acquisition, named Manresa Town, will be developed with condominiums, dormitories, retail and commercial spaces that will be an integral part to the masterplanned township of Xavier University Cagayan de Oro. Proceeds that Xavier University will be receiving will be used to develop the new Xavier University Masterson Campus, which at 21 hectares will be three times larger in area than the current campus. Provisions in the agreement prepared by Xavier University and endorsed by Jesuit leaderships in the Philippines and in Rome were approved by the Vatican after a thorough two-year review process. The new 21-hectare Xavier University Masterson Campus, is envisioned to catalyze development in Northern Mindanao with a Sustainable and New Normal-ready Campus Masterplan. The masterplan of the Xavier University Masterson Campus will blend seamlessly with the adjacent Manresa Town to be developed by CLI, a 14.3-hectare mixed-use university town that provides Xavier University students convenient and safe residential options, easy access to commercial establishments and future-ready offices.

In December 2021, CLI and Borromeo Brothers Estate Inc. inaugurated the ₱1.2 billion 4-Star BERDE-certified commercial tower Latitude Corporate Center, increasing CLI's office GLA to 29,000 sq.m. from 14,000 sq.m. year-on-year. The hybrid office building standing 24-storeys high with designated spaces for BPO offices (8th-12th floors), Enterprise offices (14th-16th floors), Executive offices (17th-24th floors) and a retail concept (first and second floors) is strategically located in Cebu Business Park and is among the tallest buildings in the business district. The development was awarded early this year with a four-star accreditation under the BERDE rating system, a testament to its sustainable design tailor fit to world class standards.

During the 9th Property Guru Philippines Property awards, CLI was awarded as the Best Developer for Visayas and Mindanao along with nine other special awards from its portfolio of innovative, and market-resonant projects spread across the archipelago, such as Casa Mira Towers Mandaue, Davao Global Township, MesaVirre Garden Residences, One Paragon Place, Patria de Cebu, Radisson Red, and Velmiro Uptown CDO.

With the Company's stellar performance and proven execution capability to adapt to the new normal translating to a resumption of pre-pandemic growth and income levels, the Board deemed it fit to declare a regular and special cash dividend of ₱0.112 and ₱0.038 per share on March 15, 2022 with a total estimated amount ₱519.2 million, a 33.6% increase from the ₱388.75 million paid to

stockholders last year. The recently declared dividends have a record date of April 22, 2022 and was paid on May 17, 2022.

Review on the Company's Results of Operation

FY 2021 vs. FY 2020

CLI recorded net income to parent shareholders of ₱2.61 billion, an increase of 42% from ₱1.846 billion in 2020. The significant increase is driven by the strong topline growth and one-time tax adjustment amounting to ₱293.5 million brought about by the implementation of CREATE Act.

Earnings per share in 2021 was ₱1.04 computed as net income attributable to CLI shareholders amounting to ₱2.61 billion divided by weighted average number of shares of 2,507,833,165, while earnings per share in 2020 was ₱1.15 computed as net income ₱1.846 billion divided by weighted average number of shares of 1,605,279,067.

CLI distributed stock dividends in July 2021 of 123 shares per 100 shares or 123%.

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 44% of revenues, followed by the Garden series with 30% 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 remains 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 Q4 2020 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 revenues of ₱48.68 million for the period ending December 31, 2021. The hotel revenues were 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 increasing its rental revenue by 34% y-o-y to ₱74.27 million from ₱55.24 million. GLA doubled to 29,000 sq.m from 14,536 sq.m. due to the turnover of Latitude Corporate Center.

Property Management

Revenue from property management fees is at ₱42.97 million, a slight 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 ₱725 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 ₱450.64 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, the Company's 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. CLI's NIAT during the second half of 2020, on the other hand, is at ₱1.05 billion, 33% higher than the first half.

Revenues

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

Real estate sales

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

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

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

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

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

Hotel operations

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

Leasing

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

Property Management

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

Cost and Expenses

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

Total operating expenses during the period amounted to ₱1.27 billion, 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 ₱367.29 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.

FY 2019 vs. FY 2018

CLI posted a consolidated Net Income After Taxes ("NIAT") growth of 12%, from ₱2.17 billion to billion ₱2.44 billion. CLI's NIAT likewise increases to ₱2.01 billion, solid earnings growth of 21% y-o-y as compared to the ₱1.67 billion in 2018. The favorable result is driven from the construction progress of the following ongoing projects: MesaVirre Garden Residences in Bacolod, Velmiro Uptown in CDO, 38 Park Avenue and Casa Mira South in Cebu, and MesaTierra Garden Residences in Davao.

For 2019, CLI registered an EPS of ₱1.21 per share, a notable 24% increase from the ₱0.98 EPS in 2018.

Revenues

For the period ending December 31, 2019, total consolidated revenues reached ₱8.50 billion, 26% higher than from ₱6.76 billion reported y-o-y. The growth was mainly driven by its Garden Series, a mid-market segment, representing 37% of revenue, 30% for Premier Masters, a high-end segment, and 30% for Casa Mira, an economic housing segment. In 2018, Garden series represented 45% of the total revenue, 28% from Casa Mira Series and 19% from Premier Masters.

In 2019, 38 Park Avenue, a high-end segment project in Cebu, posted the highest revenue growth in 2019, followed by Casa Mira South, an economic housing project, and MesaVirre Garden Residences and Velmiro Uptown CDO, both mid-market projects.

In terms of location, the CLI's real estate revenue presence in Cebu remains to be strong representing 56% of the total revenues, followed by CDO's revenue of 14% and Bacolod of 12%. In 2018, Cebu's real estate revenue generated 64% of the total revenues, while Davao and CDO posted significant contributions of 12% and 11%, respectively. The Company expects to grow revenue contribution of its expansion areas such as Iloilo, Davao, Bohol and Puerto Princesa in 2020.

The rental revenue grew by 10% y-o-y to ₱63.16 million from ₱57.48 million. This is attributable to the Company's 60% increase in GLA to 14,296 sq.m. with the recent turnover of Base Line Retail (5,216 sq.m. GLA), Base Line HQ (1,721 sq.m. GLA) and Casa Mira Towers Labangon (1,124 sq.m. GLA) in Cebu.

Cost and Expenses

CLI reported a total cost of sales of ₱4.30 billion in 2019, a 37% y-o-y increase from the prior year of ₱3.14 billion. The increase is in line with the growth of the Company's revenue.

Total operating expenses for the year amounted to ₱1.15 billion, a 28% increase from ₱893.89 million in 2018 to support the Company's expansion. The increase is primarily attributed to higher commissions and incentives and transfer taxes which resulted from the stronger sales performance as 13 projects were launched during the year. Salaries and employee benefits posted 40% growth due to increase manpower to support the CLI's increase in operations.

Borrowing costs, both booked as cost of real estate sale and outright expense, for the year decrease from ₱176.95 million to ₱169.53 million due to interest cost savings during 2019. Total interest cost capitalized as real estate inventory amounted to ₱802.55 million, from ₱242.24 million y-o-y, as more debt was availed in 2019 to support the Company's planned capital expenditures including land banking initiative and project development. This includes the ₱2.0 billion corporate notes issued in 2019 and ₱5.00 billion corporate notes issued in 2018.

Review on the Company's Financial Condition

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 ₱66.6 billion, a 33% y-o-y growth to ₱66.6 billion 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 ₱6.01 billion from ₱6.14 billion mainly due to collections from completed projects.

80% 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 Company on behalf of its related parties increased to ₱57.43 million from ₱21.95 million mainly from cash advances to subsidiary and affiliate businesses.

57% increase in Prepayments and other current assets

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

4% increase in Associates

Increase to ₱135.06 million from ₱129.85 million mainly from investment to ICOM 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 the Company's 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

317% increase in Capital Stock

Due to the declaration of stock dividends amounting to 1,909,451,997 common shares with a par value of ₱1.00 or ₱1.9 billion as approved by the PSE on July 6, 2021.

2% increase in Treasury Shares

From the Board-approved buyback program in 2020, CLI 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 CLI 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 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 of CLI 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 joint ventures, Cebu Homegrown Developers, Inc., Cebu BL Ramos Ventures, and GGTT Realty Corporation.

MANAGEMENT AND CERTAIN SECURITY HOLDERS

BOARD AND SENIOR MANAGEMENT

The overall management and supervision of the Company is vested in its board of directors. The Company's officers and management team cooperate with its Board by preparing relevant information and documents concerning the Company's business operations, financial condition, and results of operations for its review and action. At present, the Board consists of nine members, including three independent directors in accordance with the requirements of the SRC and the SEC's New Code of Corporate Governance for Publicly Listed Companies. The CLI Board is composed of directors with collective working knowledge, experience, and expertise that are relevant to the real estate industry. The CLI Board has an appropriate mix of competence and expertise and they remain qualified for their positions individually and collectively. All of CLI's directors were re-elected during the Company's annual stockholders' meeting held on June 07, 2022.

Members of the Board of Directors

Name	Age	Position	Citizenship
Jose R. Soberano III	66	Chairman of the Board	Filipino
Ma. Rosario B. Soberano	64	Director	Filipino
Jose Franco B. Soberano	36	Director	Filipino
Beauregard Grant L. Cheng, CFA	40	Director	Filipino
Joanna Marie B. Soberano- Bergundthal	34	Director, Vice President for Marketing and Asst. Treasurer	Filipino
Rufino Luis T. Manotok	71	Lead Independent Director	Filipino
Ma. Aurora D. Geotina-Garcia	69	Independent Director	Filipino
Atty. Ma. Jasmine S. Oporto	69	Independent Director	Filipino
Stephen A. Tan	65	Director	Filipino

The qualifications of the Directors, including their current and past positions held and business experiences, are set forth below:

- *Jose R. Soberano III* has been the Company's Chairman, CEO, and President since its incorporation. 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 2011, and President of the Chamber of Real Estate Builders Association-Cebu in 2010. He is currently the (i) Chairman of the Board of the Center for Technology and Enterprise Inc., a socially-oriented instruction that offers technical training to less privileged youth; (ii) President of Sri Visayan Foundation Inc and Cebu Country Club, Inc.; (iii) Director and Treasurer of Sugbu Chinese Heritage Museum Foundation Inc.; and (iv) Director and Trustee of University of San Carlos. Mr. Jose R. Soberano III has more than 20 years of experience in managing and heading companies engaged in real estate development.
- *Ma. Rosario B. Soberano* has served as the Director, Treasurer, and Executive Vice President of the Company since 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.

- *Jose Franco B. Soberano* has served as Director of the Company since 2010 and joined the Company as COO and Senior Vice-President in 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. He is a founding member of the Global Shapers – Cebu Hub, an initiative of the World Economic Forum, and is President of the Sacred Heart School – Ateneo de Cebu Alumni Association since 2014.
- *Beauregard Grant L. Cheng, CFA* is currently the CFO of CLI. 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.
- *Joanna Marie B. Soberano-Bergundthal* has served as Director of the Company since 2010, 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.
- *Rufino Luis T. Manotok* joined as one of the Company's Independent Directors in February 2017. He finished 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 is currently an Independent Director of First Metro Investment Corporation and 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 Strategic Planning Group of Ayala Corporation from 1998 to 2006.
- *Ma. Aurora D. Geotina-Garcia* 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 presently the President of Mageo Consulting Inc. since March 2014, President of CIBA Capital Philippines Inc. since December 2008, and an Independent Director of Queen City Development Bank since 2009.
- *Atty. Ma. Jasmine S. Oporto* joined the Board of Directors of CLI as an Independent Director in August 2018. She obtained her Bachelor of Laws from the UP College of Law, and Bachelor of Landscape Architecture from the same university. She also attended 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 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.

- *Stephen A. Tan* 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.

Executive Officers and Key Personnel

Name	Age	Position	Citizenship
Jose R. Soberano III	66	President and CEO	Filipino
Ma. Rosario B. Soberano	64	Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	36	COO and Executive Vice President	Filipino
Beauregard Grant L. Cheng, CFA	40	Chief Financial Officer	Filipino
Joanna Marie Soberano-Bergundthal	34	Vice-President for Marketing and Assistant Treasurer	Filipino
Janella Mae B. Soberano	30	Corporate Communications and Customer Relations Head	Filipino
Jessel M. Kabigting	52	Vice-President for Operations	Filipino
Atty. Larri-Nil G. Veloso	43	Vice-President for Legal and Assistant Corporate Secretary	Filipino
Engr. Pedrito A. Capistrano, Jr.	58	Vice-President for Engineering	Filipino
Connie N. Guieb	43	Vice-President for Finance and Accounting; Financial Comptroller	Filipino
Marie Rose C. Yulo	53	Vice-President for Sales	Filipino
Sylvan John M. Monzon	46	Vice-President for Business Development	Filipino
Mark Leo M. Chang	43	Vice-President for External Affairs	Filipino
Julieta R. Castanos	42	Assistant Vice-President for Business Development	Filipino

- *Janella Mae B. Soberano* 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 as Brand Manager from 2013 to 2017. She is the daughter of Jose R. Soberano III and Ma. Rosario B. Soberano.
- *Jessel M. Kabigting* 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.
- *Atty. Larri-Nil G. Veloso* 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, Atty. Veloso 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.
- *Engr. Pedrito A. Capistrano Jr.* 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., AboitizLand, 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 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.
- *Connie N. Guieb* is the Vice-President for Finance and Accounting. As a Certified Public Accountant, she also serves as the 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.
- *Marie Rose C. Yulo* 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. Ms. Yulo 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.

- *Sylvan John M. Monzon* is the Vice-President in-charge of business development for the Company's projects in Mindanao. Prior to 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 COO 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* 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 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 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.
- *Julieta R. Castanos* 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 Aboitizland, 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.

Significant Employees

Other than the Directors and Officers identified in the item on Directors and Executive Officers in this Preliminary Prospectus, there are no other employees of the Company who may have significant influence in the Company's major and/or strategic planning and decision-making.

Family Relationships

As of the date of this Preliminary Prospectus, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and members of the Company's senior management are as follows:

1. Ma. Rosario B. Soberano (Director, Treasurer and Executive Vice-President) is the spouse of Jose R. Soberano III (Chairman of the Board, President, and CEO).

2. Jose Franco B. Soberano (Director, COO, and Executive Vice-President), Joanna Marie B. Soberano-Bergundthal (Director, Vice-President for Marketing, and Asst. Treasurer) and Janella Mae B. Soberano (Corporate Communications and Customer Relations Head) are the children of Jose R. Soberano III (Chairman of the Board, President, and CEO) and Ma. Rosario B. Soberano (Director, Treasurer, and Executive Vice-President).

Apart from the foregoing, there are no other family relationships up to the fourth civil degree either by consanguinity or affinity among directors or executive officers of the Company.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge and belief and after due inquiry and save as indicated below in respect of Ma. Aurora D. Geotina-Garcia (one of the independent directors), none of the Company's other directors, executive officers, or controlling persons of the Company have, in the five-year period prior to the date of this Prospectus:

- 1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- 2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;
- 3) have been 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 their involvement in any type of business, securities, commodities, or banking activities; or
- 4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC 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 such judgment having not been reversed, suspended, or vacated.

Ma. Aurora D. Geotina-Garcia, one of the independent directors, is a party in the following legal proceedings which were filed against her in her capacity as a former member of the Board of Directors of the Bases Conversion and Development Authority ("**BCDA**"):

- (a) *Criminal case for libel which is presently pending with the Court of Appeals* – The case involves statements which the BCDA caused to be published in the April 10, 2012 issue of the Philippine Daily Inquirer. At the time of publication, the accused were members of BCDA's Board of Directors, including Ms. Geotina-Garcia. The private complainant, who is the CEO of CJH Development Corporation, contended that by these publications, the accused deliberately, maliciously, knowingly, and publicly imputed crimes, acts, and omissions against him, which supposedly tarnished, tainted, and besmirched his good name, honor, and reputation.

The trial court granted the accused's demurrer to evidence and dismissed the case of insufficiency of the prosecution's evidence. The dismissal was equivalent to an acquittal, which was immediately final and executory.

The private complainant filed a Petition for Certiorari dated December 9, 2020 with the Court of Appeals, alleging grave abuse of discretion on the part of the trial court in granting the accused's demurrer to evidence and dismissing the case for insufficiency of the prosecution's evidence. In a Resolution dated May 24, 2021, the Court of Appeals required the respondents to file a comment. The accused filed their comment dated July 19, 2021.

- (b) *Appeal from the dismissal by the Office of the Ombudsman of criminal charges for acts of the BCDA Board of Directors pending before the Supreme Court* – The case was originally filed with the Office of the Ombudsman, which was dismissed on January 15, 2016. The appeal before the

Supreme Court was dismissed in a Decision dated January 13, 2021. The petition filed a Motion for Reconsideration dated February 9, 2022.

- (c) *Appeal from the dismissal by the Office of the Ombudsman of administrative charges for acts of the BCDA Board of Directors pending before the Court of Appeals* – The appeal was dismissed in a Decision dated January 30, 2018, which was affirmed in a Resolution dated May 16, 2018. Ms. Geotina-Garcia is not aware of any appeal or petition filed by of CJH Development Corporation from the Court of Appeals' rulings.

EXECUTIVE COMPENSATION

The following table sets out the Company's President and CEO and the five most highly compensated senior officers:

Name	Position
Jose R. Soberano III	President and CEO
Ma. Rosario B. Soberano	Executive Vice-President and Treasurer
Jose Franco B. Soberano	Executive Vice-President and COO
Beauregard Grant L. Cheng	CFO
Joanna Marie B. Soberano-Bergundthal	Vice-President for Marketing

The following table identifies and summarizes the aggregate compensation of the Company's President & CEO and the five most highly compensated executive officers, and all other officers and directors as a group, for the years ended December 31, 2021, 2020, 2019, and 2018.

Position	Period Ended	Basic Compensation (in ₱)	Other Compensation (in ₱)
President and CEO and the four most highly compensated executive officers named above	2022 (est.)	45,070,987.50	21,961,500.00
	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
All officers and directors as a group excluding the President and four (4) most highly compensated executive officers	2022 (est.)	27,578,355.39	10,607,059.77
	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

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 two 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.

There is no plan or arrangement by which the executive 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.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Record and Beneficial Owners of more than 5% as of May 31, 2022:

Title of Class	Name, Address of Record Ownership and Relationship with Issuer	Stockholder Name	No. of Common Shares	Percentage (of common shares)
Common Shares	AB Soberano Holdings Corp., 2877 V. Rama Avenue Guadalupe Cebu City	AB SOBERANO HOLDINGS CORP.	2,267,130,595	62.57%
Common Shares	PCD Nominee Corporation (Filipino) G/F MSE Bldg. Ayala Ave. Makati City	PCD NOMINEE CORP. (FILIPINO)	1,284,496,998	35.45%

Security Ownership of Directors and Management (Executive Officers) as of May 31, 2022:

Directors

Name	Direct	Indirect	Total	Percentage to Total Outstanding Shares
Jose R. Soberano	168,978,250	1,090,845,167	1,259,823,417	36%
Ma. Rosario B. Soberano	132,127,500	1,090,845,167	1,222,972,667	35%
Jose Franco B. Soberano	20,051,491	22,725,941	42,777,432	1%
Joanna Marie B. Soberano-Bergundthal	16,907,191	22,725,941	39,633,132	1%
Beauregard Grant L. Cheng	2,453,000	-		0.00%
Stephen A. Tan	11,150	-		0.00%
Ma. Jasmine S. Oporto	8,920	-		0.00%
Rufino Luis T. Manotok	2	161,500	161,502	0.00%
Ma. Aurora D. Geotina-Garcia	1	-		0.00%
Total	340,537,505	2,227,303,716	2,565,368,150	73%

Officers

Name	Direct	Indirect	Total	Percentage to Total Outstanding Shares
Larri-Nil G. Veloso	101,000	-	101,000	0.00%
Marilou P. Plando	26,760	-	26,760	0.00%
Total	127,760	-	127,760	0.00%

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company and its Subsidiaries, 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, 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.

However, no other transaction, without proper disclosure, was undertaken by the Group. 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.

Please refer to the discussion on “*Transactions with related parties*” under the section on “*Description of Business*”.

CORPORATE GOVERNANCE

Compliance Policy and Evaluation System

In accordance with the State's policy to actively promote corporate governance reforms aimed to raise investor confidence, develop capital market and help achieve high sustained growth for the corporate sector and the economy, the Board of Directors, Management, and Employees of CLI commit to the principles and best practices contained in the Manual on Corporate Governance (the "**Manual**"), a copy of which had been duly filed with the SEC in 2017 as an attachment of the Registration Statement filed by CLI for its Initial Public Offering.

The evaluation system established by CLI in measuring and determining the level of compliance with its Manual includes the conduct of annual board and committee assessments. In 2021, CLI rolled-out its digitalized board and committee assessment forms. The duly accomplished Assessment Forms were then reviewed, verified, and tabulated by the Office of the Compliance Officer. A summary of the results of the board and committee assessments, including the various performance ratings and comments of the directors and committee members, were presented and discussed during CLI's respective corporate governance committee and board meetings and copies of which were uploaded to CLI's Diligent Boards.

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

CLI has undertaken measures to comply with the adopted leading practices on good corporate governance. The Board of Directors and management team of CLI have promoted and implemented various principles and recommendations under SEC Memorandum Circular No. 19, series of 2016 (otherwise, the Code of Corporate Governance for Publicly-Listed Companies), Corporate Governance Guidelines for Companies Listed on the PSE, as well as recommended practices under the ASEAN Corporate Governance Scorecard. In case of non-compliance with the recommended principles and best practices, CLI identifies and elucidates on the same, and provides explanation as to how the overall principles being recommended are still achieved by CLI. These are all reported by CLI through its comprehensive Integrated Annual Corporate Governance Reports which are submitted to the SEC, uploaded to PSE EDGE, and posted in CLI's website.

Further thereto, CLI also rolled out and cascaded various policies and programs to its employees and personnel for proper awareness, understanding, and implementation of CLI's good corporate governance practices. For FY2021, this is highlighted by the roll-out of CLI's updated Handbook on Employee Discipline, CLI Executives and Company Travel Policy, Transfer Pricing Policy, Anti-Money Laundering and Terrorist Financing Prevention, updated Executive Committee Charter and Limits of Authority, Policy on New Investments, Shareholder Advances, Capital Infusions, and Management Services, among other CLI policies and corporate training in FY2021.

Deviations from the CLI's Manual of Corporate Governance

In its 2021 Integrated Annual Corporate Governance Report, CLI disclosed that it had been non-compliant in some of the recommendations set out in the Code of Corporate Governance for Publicly-Listed Companies. However, such non-compliances have been properly explained and that despite such non-compliance, CLI is still able to achieve the corporate governance principle being recommended.

As of this report, CLI believes that it remains to be substantially in compliance with and has no material deviations from its Manual and as such, no sanctions were imposed on any director, officer or employee on account of non-compliance with the same.

Plan to improve the CLI's Corporate Governance

Recognizing and understanding that good corporate governance is essential to sound strategic business management and sustainable growth and development, CLI fully commits and undertakes to continue to bolster and enhance its corporate governance, not only through its continued and consistent compliance with laws, rules, regulations, and corporate best practices, but also by improving and

strengthening CLI's internal controls, risk management, investor and other stakeholder relations, checks and balances, and policies and procedures. In recognition of its continued efforts and improvements in the area of corporate governance, CLI received Special Environment, Social and Governance Recognition from the Philippine Property Awards for the calendar year 2021.

REGULATORY FRAMEWORK

Laws on housing and land projects

Republic Act No. 11201: Department of Human Settlements and Urban Development Act

Republic Act No. 11201 or the Department of Human Settlements and Urban Development Act, which was signed into law on February 14, 2019, created the Department of Human Settlements and Urban Development (the “**DHSUD**”), through the consolidation of the Housing and Land Use Regulatory Board (“**HLURB**”) and the Housing and Urban Development Coordinating Council (“**HUDCC**”).⁷ The DHSUD has been mandated to act as the primary national government entity responsible for the management of housing, human settlement, and urban development, and the sole and main planning and policymaking, regulatory, program coordination, and performance monitoring entity for all housing, human settlement, and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. Its powers and functions include the regulation of housing and real estate development.

The DHSUD exercises administrative supervision over the following housing agencies, which shall remain attached for purposes of policy and program coordination, monitoring, and evaluation: (a) National Housing Authority (NHA), (b) National Home Mortgage Finance Corporation (NHMFC), (c) Home Development Mutual Fund (HDMF), and (d) Social Housing Finance Corporation (SHFC).

The Human Settlements Adjudication Commission (the “**HSAC**”) was reconstituted from the HLURB and is mandated to adjudicate, among others, disputes relating to real estate development, homeowners association, and appeals from decision of local and regional planning and zoning bodies. Hence, the adjudicatory functions of the HLURB are transferred to the HSAC, and HLURB is attached to the DHSUD for policy, planning and program determination only.

On July 19, 2019, the implementing rules and regulations (“**IRR**”) of Republic Act No. 11201 were approved. These describe in more detail the functions of the DHSUD and enumerates the functions of the HLURB that were transferred to it, such as, among others, its regulatory functions, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums, and similar real estate developments. The IRR of Republic Act No. 11201 also enumerates the oversight and monitoring functions of the Department and its powers and functions in relation to public housing and urban development.

Presidential Decree No. 957: The Subdivision and Condominium Buyers’ Protective Decree

Presidential Decree No. 957, or the Subdivision and Condominium Buyers’ Protective Decree (as amended, “**PD 957**”), is the principal statute regulating the development and sale of real property as part of a condominium or subdivision project. It was enacted pursuant to the policy of the state to ensure that real estate subdivision owners, developers, operators, and/or sellers provide and properly maintain roads, drainage, sewerage, water systems, lighting systems and other similar basic requirements in order to guarantee the health and safety of home and lot buyers. PD 957 covers condominium and subdivision projects for residential, commercial, industrial and recreational areas as well as open spaces and other community and public areas in the project. The DHSUD (formerly, HLURB) is the administrative agency of the government which, together with local government units, enforces PD 957 and has jurisdiction over real estate trade and business. As mentioned above, DHSUD has assumed the functions of the HUDCC and the planning and regulatory functions of HLURB, while the HSAC has assumed the adjudication functions of HLURB.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by DHSUD and relevant LGU where the project is situated. Approval of such plans is conditional on, among other things, the developer’s financial,

⁷ In view of this law, Republic Act No. 11201, references to “HLURB” in the laws and regulations mentioned in this section “Regulatory Framework” such as P.D. No. 957, HLURB Resolution No. 985, Series of 2019, HLURB Memorandum Circular No. 03, Series of 2016, B.P. No. 220 and its IRR, Executive Order No. 71, Series of 1993, Republic Act No. 7279, Republic Act No. 9646, Republic Act No. 4726 and Environmental Laws and Safety Standards, have been changed to “DHSUD”. Such similar references have been also used elsewhere in this Prospectus.

technical and administrative capabilities. Before it is approved, the subdivision plan must comply with the Subdivision Standards and Regulations. On the other hand, the condominium plan, in addition to complying with the same procedure, must also comply with Presidential Decree No. 1096, or the National Building code, with respect to the building(s) in the condominium project. The owner or developer is required to submit the condominium plan in accordance with the requirements of the National Building Code to the building official of the city or municipality where the property lies and the same will be acted upon subject to the conditions and in accordance with the procedure prescribed in Section 6 of Republic Act No. 4726, or the Condominium Act.

Alterations of approved condominium plans affecting significant areas of the project, such as infrastructure and public facilities, also require prior approval of DHSUD and the city or municipal engineer.

The development of subdivision and condominium projects can only commence after the relevant government bodies have issued the required development permit and the necessary building or construction permits in accordance with the requirements of the city or municipality where the property lies. The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements that may differ depending on the nature of the project; and (ii) issuance of the barangay clearance, the locational and zoning clearance, permits issued by the DENR such as the Environmental Compliance Certificate ("**ECC**"), conversion order or exemption clearance from the Department of Agrarian Reform ("**DAR**"), permit to drill from the National Water Resources Board, and such other permits and approvals. In cases where the property involved is located in an area already classified as residential, commercial, industrial or other similar development purposes, a DAR conversion order shall no longer be required as a precondition for issuance of certificate of registration and license to sell.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a license to sell from DHSUD. Subdivision or condominium units may only be sold or offered for sale after a license to sell has been issued by DHSUD. Further, to ensure that the owner or developer of a proposed subdivision or condominium project shows firm commitment to proceed with a project, current DHSUD regulations require minimum developments before the issuance of a license to sell: (a) for subdivision projects, proof of land clearing and grubbing, road tracing and entrance gate if included in the brochure or advertisement; and (b) for condominium projects, excavation per approved plan/excavation permit is required.

As a requisite for the issuance of a license to sell, developers are required to file with DHSUD any of the following to guarantee the construction and maintenance of roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with applicable laws, rules, and regulations:

1. A surety bond callable upon demand equivalent to 20% of the development cost of the unfinished portion of the approved plan, issued by a duly accredited bonding company (whether private or government), and acceptable to DHSUD;
2. a real estate mortgage executed by the applicant developer as mortgagor in favor of the Republic of the Philippines, as represented by DHSUD as mortgagee over property other than that subject of the application, free from any liens and encumbrance and provided that the value of the property, computed on the basis of the zonal valuation of the Bureau of Internal Revenue, shall be at least 20% of the total development cost; or
3. other forms of security equivalent to 10% of the development cost of the unfinished portion of the approved plan which may be in the form of the following:
 - a) a cash bond;
 - b) a fiduciary deposit made with the cashier and/or disbursing officer of DHSUD;
 - c) a certificate of guaranty deposit issued by any bank or financing institution of good standing in favor of DHSUD for the total development cost;
 - d) a letter from any bank of recognized standing certifying that so much has been set aside from the bank account of the developer in favor of DHSUD, which amount may be

- withdrawn by DHSUD at any time the developer fails or refuses to comply with its duties and obligations under the bond contract; or
- e) any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing re-structuring program indicating sources of funding from duly accredited funding institutions.

The DHSUD is vested with quasi-judicial powers and regulatory functions necessary for the enforcement and implementation of PD 957. Among these regulatory functions are: (i) regulation of the real estate trade and business; (ii) registration of subdivision lots and condominium projects; (iii) issuance of license to sell subdivision lots and condominium units in the registered units; (iv) approval of performance bond and the suspension of license to sell; (v) registration of dealers, brokers and salesman engaged in the business of selling subdivision lots or condominium units; (vi) revocation of registration of dealers, brokers, and salesmen; (vii) approval of mortgage on any subdivision lot or condominium unit made by the owner or developer; (viii) granting of permits for the alteration of plans and the extension of period for completion of subdivision or condominium projects; (ix) approval of the conversion to other purposes of roads and open spaces found within the project which have been donated to the city or municipality concerned; (x) regulation of the relationship between lessors and lessees; and (xi) hear and decide cases on unsound real estate business practices, claims involving refund filed against project owners, developers, dealers, brokers or salesmen, and cases of specific performance.

The DHSUD is also authorized, *motu proprio* or upon verified complaint filed by a buyer of a subdivision lot or condominium unit, to revoke the registration of any subdivision or condominium project and the license to sell any subdivision lot or condominium unit in said project upon showing that the owner or dealer:

- a) is insolvent;
- b) has violated any of the provisions of PD 957, or any applicable rule or regulation of DHSUD, or any undertaking under his/its bond;
- c) has been or is engaged or is about to engage in fraudulent transactions;
- d) has made any misrepresentation in any preliminary prospectus, brochure, circular, or other literature about the subdivision project or condominium project that has been distributed to prospective buyers; or
- e) does not conduct his business in accordance with law or sound business principles.

Project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD, by itself or upon a verified complaint from an interested party, for reasons such as involvement in fraudulent transactions, misrepresentation, and/or failure to conduct business in accordance with law or sound business principles. A license or permit to sell may only be suspended, cancelled or revoked after a written notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with DHSUD's rules of procedure and other applicable laws.

HLURB Resolution No. 985, Series of 2019: 2019 Real Estate Development Monitoring Rules of HLURB

On June 17, 2019, the then HLURB (now DHSUD) released HLURB Resolution No. 985 entitled approving the 2019 Administrative Rules of Procedure in the Monitoring of Real Estate Development Projects and Imposition of Sanctions for Violation of PD 957 and Other Related Laws and their Implementing Rules and Regulations. This is primarily aimed at ensuring the faithful observance by owners and/or developers of their obligation to fully develop the project on time and in accordance with the approved development plan, contractual stipulations, sales representations, and pertinent conditions imposed in clearances, permits and licenses.

The Regional Officer shall have jurisdiction and power to investigate land use or development projects in real estate transactions and verify reports of alleged violations of the laws, rules and regulations implemented by the DHSUD. The Regional Officer may issue an Authority to Monitor specific projects, cease-and-desist orders restraining the commission or continuance of acts, impose fines and penalties for violations of law, rules and regulation, cite any person in direct contempt, and issue writs or alias writs of execution to enforce orders and rulings of the Regional Office.

HLURB Memorandum Circular No. 03, Series of 2016, or the 2015 Guidelines on Time Completion (the “**HLURB 2015 Guidelines**”) provides that projects required by law to be registered with the DHSUD such as industrial, commercial and residential subdivisions, residential or commercial condominiums, and similar projects, such as memorial parks, should be completed within one year from the date of the issuance of the license to sell, or any other period fixed by the DHSUD (“**Time of Completion**”). Failure to comply with the Time of Completion will: (1) entitle buyers to exercise their rights under PD 957 and the Civil Code of the Philippines in addition to other rights and remedies under other laws; and (2) subject the owner or developer to administrative fines, sanctions and penalties which may include the suspension of the license to sell and a cease and desist order.

The DHSUD shall rely on the work program or program of development submitted during the application for a Certificate of Registration and license to sell in determining the applicable Time of Completion of a project.

Residential subdivision projects are subject to different Times of Completion for the land and the housing components. The Time of Completion for land development, which includes land clearing and grubbing, road construction, installation of power and water distribution system, construction of drainage and sewerage systems, and other developments, will depend on the work program or program of development submitted by the owner or developer. All subdivision amenities and facilities such as clubhouse, playgrounds, sports facilities, and other infrastructures included in the approved project plans, brochures, prospectus, printed matters, letters or any forms of advertisement shall be developed and completed within the period for the project’s land development. Meanwhile, the completion and delivery of any housing unit purchased shall be explicitly provided in the contract to sell or any purchase agreement, and absent any indication thereof, will not exceed one year from the date of purchase.

For condominium projects, all facilities and amenities included in the approved project plans, brochures, prospectus, printed matters, letters, or any forms of advertisement shall be completed in accordance with the work program or program of development of the project. The Time of Completion as stated in the license to sell shall be binding and obligatory upon the owner or developer, but if it provides a shorter period in any form of advertisement, it shall be bound by the shorter period.

The HLURB 2015 Guidelines also provides that the Time of Completion which shall include the date, time and year shall be indicated in the license to sell of the project, which shall be binding and obligatory on the part of the owner or developer, unless a shorter period of completion or delivery is represented in any form of advertisement. The Time of Completion should be indicated in any advertisement of a project.

As a general rule, the Time of Completion is non-extendible, except in the following instances and upon the posting of a bond or security:

1. Existence of sub-soil conditions discoverable only after actual excavation and would require additional excavation time;
2. Occurrence of a fortuitous event completely independent of the will of the owner or developer, that requires reconstruction or causes delays in the project, and renders its completion within the original approved period impossible in a normal manner;
3. Issuance of a lawful order of a court, other government agency or local government unit that temporarily enjoins the development of the project, unless such issuance is caused by the fault, mistake or negligence of the owner or developer.

If an owner or developer wishes to apply for additional time due to the foregoing grounds, it shall file a sworn application with the Regional Field Office of the DHSUD where the project is registered, including a proof of notice to all lot or unit buyers, a revised work program with computation of remaining cost of completion and other requirements, within 60 days from the discovery of the unfavorable sub-soil conditions, the occurrence of the fortuitous event, or from receipt of the order or issuance of a court or government body.

The owner or developer of a project that is not completed on time will be given a Notice of Alleged Reported Violation requiring it to explain under oath why no administrative fine and sanctions and cease and desist order should be imposed against it. Should the owner or developer fail to comply with the order or justify the non-completion of a project, an order imposing administrative fines and sanction shall be issued, and the owner or developer shall be required to submit additional documentations on the project.

Upon review of the submitted documents, a final order shall be issued requiring the completion of the project within such period as may be fixed by the DHSUD, and a performance bond shall be secured conditioned on this undertaking. In case of non-completion of the project within the approved Time of Completion, an administrative fine shall be imposed in accordance with the approved Schedule of Fines and other existing DHSUD guidelines, the license to sell shall be suspended, and a cease and desist order shall be issued enjoining the owner or developer from further selling any lot, including any building or improvement thereon, or any unit in a project, from advertising the project, and from collecting amortization payment, until the completion of the project and issuance of a Certificate of Completion.

DHSUD Department Order No. 2020-010, Series of 2020 and DHSUD Department Order No. 2021-009, Series of 2021.

During the onset of the COVID-19 pandemic, the DHSUD issued Department Order No. 2020-010, Series of 2020 ("**D.O. 2020-010**"), which granted an additional one year to owners and developers of covered projects to respond to the circumstances brought about by the surge in COVID-19. The additional time was for the completion of projects affected by the stoppage of development during the community quarantine periods. The additional one year is reckoned from the end of the time of completion of the project as indicated in the License to Sell.

In 2021, the DHSUD issued Department Order No. 2021-009, Series of 2021, ("**D.O. 2021-009**"). Under this department order, in addition to the one-year additional time of completion under D.O. 2020-010, all projects were granted a maximum of one-year additional time reckoned from the end of the time of completion of the project as indicated in the License to Sell or availed under D.O. 2020-010. To avail of the same, the project must be registered and licensed with the DHSUD, or the DHSUD and the owner or developer must apply for such additional time with the DHSUD.

Any owner or developer availing of additional time of completion must submit an application letter, a revised work program based on the requested extended period of completion and must file a performance bond supported by a notarized fact sheet duly signed by a licensed architect or engineer and indicating therein the remaining cost of the project. Upon approval, the Regional Office shall send a letter of approval to the owner or developer, stating therein such additional period of time granted.

Provided however, that all projects with time of completion ending before March 2020 granted or as provided on the License to Sell are not covered by the above issuances and are, thus, governed by the DHSUD 2015 Guidelines.

B.P. 220: An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six, and Eleven Hundred Eighty-Five

B.P. 220 and its Implementing Rules and Regulations ("**BP 220 IRR**") apply to the development of economic and socialized housing projects in urban and rural areas. Likewise, they apply to the development of either a house and lot or a house or lot only ("covered project").

Under B.P. 220 and the BP 220 IRR, the covered project must be approved by the DHSUD or the LGU, as the case may be, before it commences. The approval of the Preliminary Subdivision Development Plan is valid only for a period of 180 days from approval. Further, the development design and plans must undergo survey and evaluation conducted by DHSUD. The BP 220-IRR adopted the rules set out by P.D. 957 and its Implementing Rules.

BP 220 IRR also sets forth minimum design standards and technical guidelines which are different from those under P.D. 957 (The Subdivision and Condominium Buyers' Protective Decree), P.D. 1216

(Defining Open Space in residential Subdivision), P.D. 1096 (National Building Code of the Philippines), and P.D. 1185 (Fire Code of the Philippines). However, possible variations of the guidelines and standards may be allowed by the DHSUD should the strict observance of such cause unnecessary hardship based on specific regional, cultural, and economic setting.

A developer who intends to sell the subdivision or condominium should register the project and obtain a License to Sell from DHSUD. The notice on Application for Certificate of Registration must be published at the expense of the applicant, and a billboard notice must be posted on the project site until the issuance of the Licenses to Sell. Failure to publish the notice within two weeks from receipt of notice to publish by DHSUD will require the developer to re-file the application for the Certificate of Registration.

In addition to the requirements of registration and License to Sell, BP 220 IRR also requires the submission of a performance bond and payment of prescribed fees. BP 220 IRR also proscribes any sale within two weeks from the registration of the project.

BP 220 IRR also provides for several obligations of the developer, such as the initiation of organization and registration of a homeowner's association, and the donation of roads and open spaces found in the project to LGUs of the area after their completion had been certified by the Board.

Failure on the part of the developer to develop the project in accordance with the approved project plans within the time specified shall subject the developer to administrative sanctions and penalties. The above-mentioned Guidelines on Time of Completion is also applicable to the projects under this B.P. 220.

Further, DHSUD mandates subdivision and condominium developer to submit a copy of the special/temporary permit from the Professional Regulation Commission and of the separate permit from the Department of Labor and Employment for foreign architects who signed on plans required under the IRR of PD 957 and BP 220.

Executive Order No. 71, Series of 1993

Under *Executive Order No. 71, Series of 1993*, cities and municipalities assume the powers of the DHSUD over the following:

- a) approval of preliminary as well as final subdivision schemes and development plans of all subdivisions, residential, commercial, industrial, and for other purposes;
- b) approval of preliminary as well as final subdivision schemes and development plans of all economic and socialized housing projects;
- c) evaluation and resolution of opposition against issuance of development permits for any of said projects; and
- d) monitoring the nature and progress of its approved land development projects to ensure their faithfulness to the approved plans and specifications.

Republic Act No. 7279: Urban Development and Housing Act of 1992

Republic Act No. 7279, as amended recently by Republic Act No. 10884, or the Urban Development and Housing Act of 1992, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost, and at least 5% of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by DHSUD and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development.

Republic Act No. 9646: Real Estate Service Act

Real estate dealers, brokers and salesmen are also required to register with DHSUD before they can sell lots or units in a registered subdivision or condominium project. Furthermore, no person shall practice or offer to practice real estate service in the Philippines unless he/she has satisfactorily passed

the licensure examination given by the Professional Regulatory Board of Real Estate Service. Under Republic Act No. 9646, or the Real Estate Service Act, the real estate service practitioners required to take the licensure examination are:

1. Real estate consultants — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, offer or render professional advice and judgment on: (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (ii) the conception, planning, management and development of real estate projects;
2. Real estate appraisers — duly registered and licensed natural persons who, for a professional fee, compensation or other valuable consideration, perform or render, or offer to perform services in estimating and arriving at an opinion of or act as an expert on real estate values, such services of which shall be finally rendered by the preparation of the report in acceptable written form; or
3. Real estate brokers — duly registered and licensed natural persons who, for a professional fee, commission or other valuable consideration, act as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

Republic Act No. 4726: The Condominium Act

Under the Condominium Act, the owner of a project shall, prior to the conveyance of any condominium therein, register a declaration of restrictions relating to such project, which restrictions shall constitute a lien upon each condominium unit in the project, and shall insure to and bind all condominium owners in the project. Such liens, unless otherwise provided, may be enforced by any condominium owner in the project or by the management body of such project. The Register of Deeds shall enter and annotate the declaration of restrictions upon the certificate of title covering the land included within the project.

The declaration of restrictions (“declaration”) shall provide for the management of the project by anyone of the following management bodies: a condominium corporation, an association of the condominium owners, a board of governors elected by condominium owners, or a management agent elected by the owners or by the board named in the declaration. The declaration shall also provide for voting majorities, quorums, notices, meeting date, and other rules governing such body or bodies.

Further, any transfer or conveyance of any unit or an apartment, office or store or other space, shall include the transfer or conveyance of the undivided interests in the common areas, or, in a proper case, the membership or shareholdings in the condominium corporation. A condominium corporation shall not, during its existence, sell, exchange, lease, or otherwise dispose of the common areas owned or held by it in the condominium project unless authorized by the affirmative vote of a simple majority of the registered owners with prior notification to all registered owners. Further, the condominium corporation may expand or integrate the project with another upon the affirmative vote of a simple majority of the registered owners, subject only to the final approval of DHSUD.

Real estate sales on installments

Republic Act No. 6552: Maceda Law

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots).

Under the Maceda Law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

1. To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments

made. However, the buyer may exercise this right only once every five years during the term of the contract and its extensions, if any.

2. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five years of installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments). Provided, that the actual cancellation of the contract shall take place after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Zoning and land use

Republic Act No. 7160: Local Government Code of the Philippines

A city or municipality may, through an ordinance passed by the Sanggunian, after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (i) when the land ceases to be economically feasible and sound for agriculture or (ii) where the land shall have substantially greater economic value for residential, commercial or industrial purposes, as determined by the Sanggunian concerned; provided that such reclassification shall be limited to the following percentage of total agricultural land area at the time of the passage of the ordinance:

1. For Highly Urbanized and Independent Component Cities, 15%;
2. For Component Cities and First to Third Class Municipalities, 10%;
3. For Fourth to Sixth Class Municipalities, 5%.

Zoning ordinances may also limit land use. Once enacted, a comprehensive land use plan approved by the relevant local government unit may restrict land use in accordance with such land use plan. Zoning ordinances may also classify lands as commercial, industrial, residential or agricultural. Lands may also be further re-classified based on a local government unit's future projection of needs.

Republic Act No. 6657: Comprehensive Agrarian Reform Law of 1988

Under Republic Act No. 6657, as amended, or the Comprehensive Agrarian Reform Law of 1988, and such other rules and regulations currently in effect in the Philippines, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of the DAR.

Republic Act No. 11231: Agricultural Free Patent Reform Act

This law removes restrictions on free patents to allow the efficient and effective utilization of these lands. Under this law, agricultural public lands alienated or disposed in favor of qualified public land applicants under Section 44 of Commonwealth Act No. 141, as amended, shall not be subject to restrictions imposed under Sections 118, 119 and 121 thereof regarding acquisitions, encumbrances, conveyances, transfers, or dispositions. Agricultural free patent shall now be considered as title in fee simple and shall not be subject to any restriction on encumbrance or alienation.

This law has retroactive effect and any restriction regarding acquisitions, encumbrances, conveyances, transfers, or dispositions imposed on agricultural free patents issued under Section 44 of Commonwealth Act No. 141, as amended, before the effectivity of this law shall be removed and are hereby immediately lifted.

Property registration and nationality restrictions

Presidential Decree No. 1529: Property Registration Decree

The Philippines has adopted a system of land registration, which evidences land ownership that is binding on all persons. Once registered, title to registered land becomes indefeasible after one year from the date of entry of the decree of registration except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, or the Property Registration Decree, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper survey, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment to the Court of Appeals and ultimately to the Supreme Court within 15 days from receiving notice of judgment. Upon finality of judgment, the appropriate Register of Deeds may issue an Original Certificate of Title (“OCT”). The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR’s issuance of a patent. The patent becomes the basis for issuance of the OCT by the Register of Deeds. All land patents (i.e. homestead, sales and free patents) must be registered with the appropriate Register of Deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned, and in all cases under the said decree, the registration shall be made in the office of the Register of Deeds for the province or city where the land lies. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument, or entry affecting registered land, if filed or entered in the office of the Register of Deeds for the province or city where the land to which it relates lies, shall be constructive notice to all persons from the time it is registered, filed, or entered in the records of the Register of Deeds.

All interests in registered land less than ownership (such as liens created by mortgages and leases) shall be registered by filing with the Register of Deeds the instrument which creates or transfers or claims such interests and by a brief memorandum thereof made by the Register of Deeds upon the certificate of title and signed by him. A similar memorandum shall also be made on the owner’s duplicate.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the sales price. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer. To evidence ownership of condominium units, the Register of Deeds issues a Condominium Certificate of Title.

Article XII, Section 7 of the Constitution; Commonwealth Act No. 141

Article XII, Section 7 of the Constitution, in relation to Chapter 5 of the Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, pursuant to Republic Act No. 4726 (as amended), with respect to condominium developments, the ownership of condominium units where the common areas in the condominium

project are co-owned by the owners of the separate units or owned by a corporation is limited to up to 40% foreign equity.

Environmental laws and safety standards

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EIS and ECC are mandatory. In determining the scope of the EIS System, two factors are considered: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences of the project to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum each contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a government certification that the proposed project or undertaking will not cause a significant negative environmental impact, that the proponent has complied with all the requirements of the EIS System, and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property, and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team organized to monitor compliance with the ECC and applicable laws, rules, and regulations.

While a development project may not fall under the categories wherein an ECC is required, it is still required to obtain a Certificate of Non-Coverage ("**CNC**") from the EMB or the DENR Regional Office. The applicant must submit a Project Description to the EMB, which will then evaluate whether or not an ECC is required for the project. If an ECC is not required, then the EMB will issue a CNC to be submitted to DHSUD.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

All buildings or structures as well as accessory facilities thereto shall conform in all respects to the principles of safe construction under the National Building Code. Aside from the building permit under the National Building Code, an applicant in specific instances may be required to secure a Height Clearance Permit from the Civil Aviation Authority of the Philippines.

Real property taxation

Republic Act No. 7160: Local Government Code of the Philippines

Real property taxes are payable annually or quarterly based on the property's assessed value. Assessed values are determined by applying the assessment levels (fixed by ordinances of the concerned *Sanggunian*) against the fair market values of real property. Under Republic Act No. 7160, as amended, or the Local Government Code of the Philippines, the assessed value of property and improvements varies depending on the location, use and nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed up to 80% of their fair market values; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of 1% on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the local government unit where the property is located.

In the event there are unpaid real property taxes relating to real property, such taxes constitute a lien on the property which shall be superior to any other lien, mortgage, or encumbrance of any kind whatsoever, and shall be extinguished only upon payment of the delinquent taxes and penalties. Failure to pay the real property tax will result in the payment of interest at the rate of 2% per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid; provided, however, that in no case shall the total interest on the unpaid tax or portion thereof exceed 36 months.

Construction license

A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("**PCAB**"). In applying for and granting such license, PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of the firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project.

Referral to Arbitration

Executive Order No. 1008 vests the Construction Industry Arbitration Commission ("**CIAC**") with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines, whether the dispute arises before or after the completion of the contract, or after the abandonment or breach thereof. These disputes may involve government or private contracts. The jurisdiction of the CIAC may include, but is not limited, to violation of specifications for materials and workmanship, violation of the terms of agreement interpretation and/or application of contractual time and delays, maintenance and defects, payment, default of employer or contractor and changes in contract cost.

CIAC may acquire jurisdiction in two ways, either by providing an arbitration clause in the contract between the parties, or by agreement of the parties to submit the dispute to CIAC. Thus, the fact that the parties incorporated an arbitration clause in their contract is sufficient to vest the CIAC with jurisdiction over any construction controversy, notwithstanding any reference made to another arbitral body. CIAC's jurisdiction over construction disputes is conferred by law, and thus, cannot be waived by mere agreement of the parties.

Liability of Engineers, Architects and Contractors

Under the Republic Act No. 386 or the Civil Code of the Philippines, as amended, the engineer or architect who drew up the plans and specifications for a building is liable for damages if, within 15 years from the completion of the structure, the same should collapse by reason of a defect in those plans and specifications, or due to defects in the ground. The contractor is likewise responsible for the damages if the edifice falls, within the same period, on account of construction defects or the use of materials of

inferior quality, or due to any violation of the terms of the construction contract. If the engineer or architect supervises the construction, he shall be solidarily liable with the contractor. The acceptance of the building after completion does not imply waiver of any of the causes of action by reason of any of the aforementioned defects. The action arising therefrom must be brought within 10 years following the collapse of the building.

Board of Investments

The Board of Investments ("**BOI**"), an agency attached to the Department of Trade and Industry, was created under the Omnibus Investment Code of 1987 (Executive Order No. 226, as amended). The BOI is responsible for promoting and assisting local and foreign investors to venture in desirable areas of business or economic activities.

Under the Omnibus Investment Code, preferred areas of activities or projects specified by the BOI in the Investment Priorities Plan ("**IPP**") enjoy tax exemption and other benefits to enterprises which venture into such projects. Generally, these incentives include the grant of income tax holiday, the duty-free importation of capital goods, exemption from wharfage dues and export tax, and other non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

Depending on whether the activity is classified as a pioneer or a non-pioneer project and provided the registered enterprise meets the project targets, the income tax holiday incentive may be granted for a period of four years to a maximum of six years. However, for eligible mass housing projects in the National Capital Region, Metro Cebu and Metro Davao region, the BOI limits the Income Tax Holiday incentive granted to such registered project to three years.

Based on the latest BOI guidelines, economic and low-cost housing projects must meet the following criteria to qualify for registration: (a) the selling price of each housing unit shall be more than ₱450,000.00 but not exceeding ₱2,000,000.00, (b) the project must be located outside Metro Manila; (c) the project must have a minimum of 20 livable dwelling units in a single site or building, (d) the project must be new or expanding economic/low-cost housing project, (e) for vertical housing projects, at least 51% of the total floor area, excluding common facilities and parking areas, must be devoted to housing units.

All economic/low-cost housing projects are required to comply with socialized housing requirement by building socialized housing units in an area equivalent to at least 15% of the total registered project area or total BOI registered project cost for horizontal housing and 15% of the total floor area of qualified saleable housing units for vertical housing projects.

In view of the effectivity of Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises ("**CREATE Act**"), which was signed into law on March 26, 2021, registered business enterprises with incentives granted prior to the effectivity of the CREATE Act shall be subject to the following rules in accordance with Section 311:

- (i) registered business enterprises whose projects or activities were granted only an income tax holiday prior to the effectivity of the law shall be allowed to continue to avail of the income tax holiday for the remaining period specified in the terms and conditions of their registration, provided that enterprises that have been granted the income tax holiday but have not yet availed of such incentive upon the effectivity of the law may use the income tax holiday for the period specified in the terms and conditions of their registration;
- (ii) registered business enterprises whose projects or activities were granted an income tax holiday prior to the effectivity of the law and that are entitled to 5% tax on gross income earned incentive after the income tax holiday shall be allowed to avail of the 5% tax on gross income incentive based on the law, provided that the five percent gross income tax can be availed of for ten years from the effectivity of CREATE Act or until April 10, 2031; and
- (iii) registered business enterprises currently availing of the 5% gross income earned incentive granted prior to the effectivity of the law shall be allowed to continue of such tax incentive for 10 years.

Anti-Money Laundering Act and its amendments

Republic Act No. 9160 or the Anti-Money Laundering Act of 2001 (as amended, “**AMLA**”) criminalizes, among other acts, the act of making the proceeds or money from an unlawful activity appear to have originated from legitimate sources. To monitor or detect these transactions, covered institutions or persons are required to report (a) transactions that meet a minimum threshold amount; and (b) those transactions considered suspicious to the Anti-Money Laundering Council (“**AMLC**”), regardless of whether such meets the minimum threshold amount.

In 2013, the AMLA was amended by Republic Act No. 10365 to consider the failure to report covered or suspicious transactions a money laundering offense. The AMLA was further amended in 2021 by Republic Act No. 11521, which took effect on 30 January 2021, making real estate developers (“**REDS**”), real estate brokers (“**REBS**”), covered persons. Thus, REDs and REBs are now required to report covered and suspicious transactions to the AMLC.

A covered transaction refers to a single cash transaction involving an amount in excess of ₱7,500,000.00 or its equivalent in any other currency.

While suspicious transactions are those: (i) with no underlying legal or trade obligation, purpose or economic justification; (ii) client is not properly identified; (iii) the amount involved is not commensurate to the client’s financial capacity; (iv) perceived to be structured to avoid being reported or are related to any unlawful activity; (v) involves any circumstance that deviates from the client’s profile or past transactions with covered persons; and (vi) any transaction that is similar or analogous to any of the foregoing.

Under Section 42 of AMLC Regulatory Issuance (B) No. 1 Series of 2018, all covered and suspicious transactions must be reported to the AMLC within five days from occurrence. For suspicious transactions, “occurrence” is the date of determination of the suspicious nature of the transaction, which shall be made not more than ten days from date of transaction.

To enable covered persons to file reports, Sec. 4, Rule 22 of the 2018 Implementing Rules and Regulations (“**2018 AMLA IRR**”) provides that all covered persons shall register with the AMLC’s electronic reporting system in accordance with the registration and reporting guidelines. Registration with the AMLC is online and free. The 2018 AMLA IRR further provides that for existing covered persons who are not yet registered shall not be cited for non-registration, provided that they shall apply for registration 30 working days from effectivity of the 2018 AMLA IRR. Newly covered persons shall apply for registration within 30 working days from the issuance of license by their respective government agencies. REDs and REBs must have registered with the AMLC by March 16, 2021.

Company Policies on Anti-Money Laundering and Countering the Financing of Terrorism

AMLC Regulatory Issuance No. 03, series of 2021 or the 2021 Anti-Money Laundering / Counter-Terrorism Financing Guidelines for Designated Non-Financial Businesses and Professions provides that REDs and REBs must apply the following principles in their businesses: (a) conformity with high ethical standards and observance of good corporate governance; (b) know sufficiently their customers and clients; (c) adopt and effectively implement an appropriate Anti-Money Laundering and/or Countering the Financing of Terrorism risk management system; (d) comply fully with existing Anti-Money Laundering and Terrorist Financing laws and regulations; and (e) full cooperation with the AMLC.

The following are also required: (a) designation of Compliance Officer and/or Office; (b) implementation of a money laundering and terrorism financing prevention program; (c) establishment of an internal controls and internal audit program; (d) adoption of a policy on customer due diligence; (e) adoption of a monitoring and reporting system; (f) keeping of records of customers’ transactions and documents during customer due diligence for five years; (g) creation of a relevant employee training program on anti-money laundering and countering terrorist financing; (h) adoption of written procedures for cooperating and complying with investigations, assessments, directives and orders of the AMLC, appropriate government agencies and the courts; and (i) identification and assessment of money laundering/ terrorist financing risks that may arise in relation to the development of new products and business practices.

Philippine Competition Act

Republic Act No. 10667, or the Philippine Competition Act (“**PCA**”), is the primary competition policy of the Philippines. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

The PCA prohibits and imposes sanctions on:

1. Anti-competitive agreements between or among competitors, which restrict competition as to price, or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;
2. Practices which are regarded as abuse of dominant position, by engaging in conduct that would substantially prevent, restrict or lessen competition; and
3. Merger or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

Moreover, the parties to a merger, acquisition or joint venture are required to comply with the compulsory notification requirements of the Philippine Competition Commission (“**PCC**”), the agency responsible for the implementation of the PCA, before consummating the transaction. For a share acquisition which results in the acquirer owning more than 35% of the voting shares in the target (or more than 50% if the acquirer already owns more than 35%), the thresholds, *until September 14, 2022*, are as follows:

- *Size of Party Threshold.* The aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines, of the ultimate parent entity (the “**UPE**”) of at least one of the acquiring or acquired entities, including that of all entities that the UPE controls, directly or indirectly, is at least ₱50 billion.
- *Size of Transaction Threshold.* The aggregate value of the assets in the Philippines that are owned by the target or by entities it controls is at least ₱50 billion, or the gross revenues from sales in, into, or from the Philippines of the target or by entities it controls is at least ₱50 billion.

For an asset acquisition, thresholds are as follows:

- With respect to a proposed merger or acquisition of assets inside the Philippines if either (a) the aggregate value of the assets in the Philippines being acquired in the proposed transactions exceeds ₱50 billion; or (b) the gross revenues generated in the Philippines by assets acquired exceed ₱50 billion;
- With respect to a proposed merger or acquisition of assets outside the Philippines if (a) the aggregate value of the assets in the Philippines of the acquiring entity exceeds ₱50 billion; and (b) the gross revenues generated in or into the Philippines by those assets acquired outside the Philippines exceed ₱50 billion;
- With respect to a proposed merger or acquisition of assets inside and outside the Philippines, if (a) the aggregate value of the assets in the Philippines of the acquiring entity exceeds ₱50 billion; and (b) the aggregate gross revenues generated in or into the Philippines by assets acquired in the Philippines and any assets acquired outside the Philippines collectively exceed ₱50 billion.

Two years after the effectivity of the Republic Act No. 11494 or the “Bayanihan to Recover as One Act” (“**Bayanihan 2**”), i.e., starting on September 15, 2022, the thresholds shall revert back to ₱2.4 billion and ₱6 billion for Size of the Transaction and Size of Party, respectively.

Mergers and acquisitions entered into during the effectivity of Bayanihan 2 may be reviewed by the PCC *motu proprio* after one year from the effectivity of the said law (*i.e.*, September 15, 2021). Thus, while the transaction may not be compulsorily notifiable during the two-year period from Bayanihan 2's effectivity, the transaction may nevertheless be reviewed by the PCC *motu proprio*, and if found to substantially prevent, restrict or lessen competition in the relevant market, the transaction will be (a) prohibited, and thus be required to be unwound (or possibly voided although void effect arguably applies only to a case where the compulsory notification review is not complied with), or (b) approved subject to certain remedies or commitments by the parties.

The PCC may conduct investigation of any merger that it has reasonable grounds to believe is likely to substantially prevent, restrict or lessen competition in the market. There may be reasonable grounds to believe that a merger is likely to or has substantially prevent, restrict or lessen competition in the market where there are preliminary indications that customers may be adversely affected, there are possibilities for foreclosure, a high degree of market concentration exists, either of the merger parties has high market shares, the merger takes place in a critical industry, among others.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Bonds. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Bonds may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "nonresident alien engaged in trade or business within the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "nonresident alien individual not engaged in trade or business within the Philippines." A "domestic corporation" is a corporation created or organized in the Philippines or under its laws. A "resident foreign corporation" is a foreign corporation or a non-domestic corporation engaged in trade or business within the Philippines; and a "nonresident foreign corporation" is a foreign corporation or non-domestic corporation not engaged in trade or business within the Philippines.

Philippine Taxation

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("**TRAIN Act**"), took into effect. The TRAIN Act amended provisions of the Tax Code including provisions on documentary stamp tax, capital gains tax, estate tax, and donor's tax.

On March 26, 2021, President Rodrigo Duterte signed into law Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (or the "**CREATE Act**"). The CREATE Act is the second package of the tax reform program of the Philippine government. The amendments under the CREATE Act include the reduction of the regular corporate income tax rate for both domestic and foreign corporations from 30% to 25%. For domestic corporations, the regular corporate income tax rate may be further reduced to 20% depending on the net taxable income and total assets of such domestic corporation. In addition to the reduction of the regular corporate income tax, the rate of the Minimum Corporate Income Tax ("**MCIT**") was lowered to 1%, effective July 1, 2020 to June 30, 2023.

Taxation of Interest

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and resident aliens from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of 25%. Interest income received by domestic corporations and resident foreign corporations from the Bonds is subject to a final withholding tax of 20%. Interest income received by non-resident foreign corporations from the Bonds is subject to a 25% final withholding tax.

The foregoing rates imposed on non-resident aliens not engaged in trade or business in the Philippines and non-resident foreign corporations may be subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident income recipient. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% in cases where the interest arises in the Philippines in respect of a public issue of bonded indebtedness and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment or perform in the Philippines professional services from a fixed base and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment or fixed base.

Given the above, all Bondholders are required to provide the Issuer through the Paying Agent their valid Tax Identification Numbers issued by the BIR and/or otherwise comply with the requirements of the BIR to avail of preferential treaty rates, as may be applicable.

Tax-Exempt Status or Entitlement to Preferential Rate

The Philippine tax authorities have prescribed certain procedures for claiming tax treaty benefits for interest income of non-resident income earners. Under Revenue Memorandum Order No. 14-2021, withholding agents or income payors may withhold tax on interest income payable to the non-resident income earner at the regular rate or at the applicable preferential tax rate depending on the documents submitted to the withholding agent or income payor. As clarified under Revenue Memorandum Circular No. 77-2021 and RMC No. 20-2022, this includes the submission by the non-resident income earner to the withholding agent of a copy of a BIR-issued Certificate of Entitlement to Treaty Benefit and an updated Tax Residency Certificate for the relevant period and duly issued by the foreign tax authority in which the income earner is a resident. If without a previously issued BIR Certificate of Entitlement to Treaty Benefit, the non-resident income earner is required to submit a duly signed and executed BIR Form No. 0901-I (Tax Treaty Relief Application for Interest Income) together with the updated Tax Residency Certificate and relevant provisions of the applicable tax treaty to the withholding agent prior to its payment of interest income. Failure to submit the aforementioned requirements would result in the application by the withholding agent of the regular rates under the Tax Code. Further thereto, and when treaty rates have been applied by the withholding agent, a request for confirmation should be filed by the withholding agent with the International Tax Affairs Division of the BIR on the propriety of the withholding tax rate used, together with all the documentary requirements under Revenue Memorandum Order No. 14-2021 and its allied issuances, and within the deadline set forth therein, which in no case shall be later than the last day of the fourth month following the close of the taxable year. If the withholding agent applied the regular rates under the Tax Code, the non-resident income earner may file a tax treaty relief application with complete documentary requirements with the International Tax Affairs Division. The non-resident income earner may also file a claim for refund within the two-year prescriptive period provided under Section 229 of the Tax Code. The claim for refund may be filed simultaneously with the tax treaty relief application.

For claims of tax exemption, BIR Revenue Memorandum Circular No. 8-2014 mandates withholding agents to require from individuals and entities claiming tax exemption a copy of a valid, current, and subsisting tax exemption certificate or ruling before payment of the related income. The tax exemption certificate or ruling must explicitly recognize the tax exemption, as well as the corresponding exemption from withholding tax. Failure on the part of the taxpayer to present the said tax exemption certificate or ruling shall subject the taxpayer to the payment of the appropriate withholding taxes due on the transaction.

If the withholding agent withheld taxes, or withheld the regular rate of tax imposed on interest under the Tax Code, the concerned Bondholder may file a claim for refund from the Philippine taxing authorities on the basis of a tax exemption certificate or ruling, or a certificate confirming the non-resident income recipient's entitlement to treaty benefits.

Value-Added Tax (“VAT”)

Gross receipts arising from the sale of the Bonds in the Philippines by dealers in securities shall be subject to a 12% VAT. The term “gross receipt” means gross selling price less acquisition cost of the Bonds sold.

“Dealer in securities” means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

Gross Receipts Tax

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

- Maturity period is five years or less 5%
- Maturity period is more than five years 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

- Maturity period is five years or less 5%
- Maturity period is more than five years 1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds by banks and nonbank financial intermediaries performing quasi-banking functions shall be taxed at 7%.

Documentary Stamp Tax

A documentary stamp tax is imposed upon the original issuance of debt instruments issued by Philippine companies, such as the Bonds, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

Taxation on Sale or Other Disposition of the Bonds

Income Tax

Any gain realized from the sale, exchange or retirement of bonds will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to the regular

rates of 0% to 35% for individuals who are Philippine citizens, whether residents or non-residents, or resident foreign individuals or non-resident aliens engaged in trade or business in the Philippines, 25% final withholding tax for non-resident alien not engaged in trade or business, 25% regular corporate income tax or 20% regular corporate income tax for domestic corporations with net taxable income not exceeding ₱5 million and with total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 million, or 1% MCIT (effective July 1, 2020 to June 30, 2023), as the case may be, for domestic and resident foreign corporations, and 25% final withholding tax for non-resident foreign corporations, as the case may be. If the bonds are sold by a seller, who is an individual and who is not a dealer in securities, who has held the bonds for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the sellers' gross income.

However, under the Tax Code, any gain realized from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) shall not be subject to income tax.

Moreover, any gain arising from such sale, regardless of the original maturity date of the Bonds, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the availment of tax treaty benefits.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at a fixed rate of 6%. A Bondholder shall be subject to donor's tax at the rate of 6% based on the total gifts in excess of ₱250,000 exempt gift made during the calendar year, whether the donor is a stranger or not.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and donor's tax, in respect of the Bonds, shall not be collected (i) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (ii) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the securities are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the securities exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, a sale, exchange, or other transfer made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds, trading the Bonds in a secondary market or through an exchange, provided that such sale or disposition does not constitute a renewal or extension of maturity of the Bonds or carried with it a renewal or issuance of new instruments in the name of the transferee to replace the old ones. However, if the transfer constitutes a renewal of the Bonds, documentary stamp tax is payable anew.

Taxation Outside the Philippines

The tax treatment of non-resident Bondholders in jurisdictions outside the Philippines may vary

depending on the tax laws applicable to such Bondholder by reason of domicile or business activities and such Bondholder's particular situation. This Prospectus does not discuss the tax considerations on such non-resident Bondholders under laws other than those of the Philippines.

INDEPENDENT AUDITORS AND COUNSEL

Legal Matters

All legal issues relating to the issuance of the Bonds which are subject of the relevant offer shall be passed upon by the counsels appointed for such Offer who will be identified in the relevant Offer Supplement. Please see section “*Independent Auditors and Counsel*” in the relevant Offer Supplement.

Independent Auditors

Punongbayan & Araullo (“**P&A**”) Grant Thornton, the independent auditors, audited the financial statements of the Company as of and for the years ended December 31, 2021, 2020 and 2019, which are all included in the Prospectus. For the audit of CLI's financial year ended as of December 31, 2021 financial statements, the external auditor, P&A, assigned a new engagement and signing partner in the person of Mailene Sigue-Bisnar (CPA Reg. No. 0090230; Partner- No. 90230-SEC, until December 31, 2025). For CLI's financial years ended December 31, 2020 and 2019 financial statements, P&A's engagement and signing partner was Christopher M. Ferarezza.

The following is the summary breakdown of the audit and non-audit fees paid to P&A for the fiscal years ended December 31, 2019, 2020 and 2021 (exclusive of the 12% VAT):

Year of Payment	Audit fees	Non-audit fees	Total
2019	1,651,873.09	84,550.00	1,736,423.09
2020	1,096,945.29	14,500.00	1,111,445.29
2021	2,947,840.00	69,000.00	3,016,840.00
Total	5,696,658.38	168,050.00	5,864,708.38

Total fees paid to P&A for the fiscal year ended December 31, 2021 was ₱ 3,016,840.00.

CLI's Audit Committee also evaluates and determines the non-audit work, if any, of the external auditor. It approves all non-audit services conducted by the external auditor and disallows the same if it will conflict with its duties as an external auditor or will otherwise pose a threat to its independence.

For the fiscal year ended December 31, 2021, the CLI Audit Committee reviewed, evaluated, and pre-approved the non-audit services of the external auditor. The non-audit services conducted by P&A pertain to tax services, specifically on the review of CLI's Information Return on Transactions with Related Party (BIR Form 1709). The scope of work involves the consultancy, review, and guidance on the preparation and filing of BIR Form 1709 to the BIR, as attachment to the FY2020 Annual Income Tax Return. The non-audit fees of the aforementioned tax services amounted to ₱69,000.00 (exclusive of the 12% VAT).

For the 2021-2022 term, CLI's Audit Committee is composed of four qualified non-executive directors, three 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. Ma. Aurora D. Geotina-Garcia, the Chairperson of the CLI Audit Committee, is not the Chairman / Chairperson of the CLI Board or of any other committee.

P&A has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

CLI has no disagreements with P&A on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FINANCIAL INFORMATION

The following pages set forth the audited financial statements of CLI as of December 31, 2021, 2020 and 2019 and consolidated financial statements as at and for the three months ended March 31, 2022 and 2021.