

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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## COMPANY NAME

C	E	N	T	U	R	Y		P	R	O	P	E	R	T	I	E	S		G	R	O	U	P		I	N	C	.	

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

3	5	/	F		C	E	N	T	U	R	Y		D	I	A	M	O	N	D		T	O	W	E	R	,		C	E
N	T	U	R	Y		C	I	T	Y	,		K	A	L	A	Y	A	A	N		A	V	E	.		C	O	R	.
S	A	L	A	M	A	N	C	A		S	T	.	,		P	O	B	L	A	C	I	O	N	,		M	A	K	A
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Form Type

A	A	P	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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## COMPANY INFORMATION

Company's Email Address

webmaster@centuryproperties.com

Company's Telephone Number

(02)7793-5541

Mobile Number

N/A

No. of Stockholders

496

Annual Meeting (Month / Day)

8/27

Fiscal Year (Month / Day)

12/31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Isabelita C. Sales

Email Address

cpqi@century-properties.com

Telephone Number/s

N/A

Mobile Number

0995-5734010

## CONTACT PERSON'S ADDRESS

23/F Century Diamond Tower, Century City, Kalayaan Ave. cor. Salamanca St.,  
Poblacion, Makati City

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

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





## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **Century Properties Group Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

  
**JOSE EDUARDO B. ANTONIO**

Chairman of the Board

  
**JOSE MARCO R. ANTONIO**

President and CEO

  
**PONCIANO S. CARREON JR.**

Treasurer and CFO

**SUBSCRIBED AND SWORN** to before me this APR 14 2023 day of 20 affiants exhibiting to me their competent evidence of identity, as follows:

Name	Competent Evidence of Identity	Expiry Date	Place Issued
Jose Eduardo B. Antonio	Driver's license no. N03-12-045361	24-Nov-23	-
Jose Marco R. Antonio	Passport no. P2695556B	31-Jul-29	DFA, Manila
Ponciano S. Carreon Jr.	PRC Reg. no. 0092320	26-Jan-25	-

Doc. No. 12 :  
Page No. 40 :  
Book No. 1 :  
Series of 2019

  
**DARENT LIBAN**  
Appointment No. 14-164 (2022-2023)  
Notary Public for Makati City  
Until December 2023  
23rd Floor, Century Diamond Tower, Century City,  
Kalayaan Avenue corner Salasanca Street,  
Barangay Poblacion, Makati City  
Roll of Attorneys No. 73659  
IBP No. 268918, 01.04.2023/PPLM Chapter  
PTR No. 9568050 MM. 01.04.2023/Makati City  
MCLE Compliance No. VII-0017405  
Valid until April 14, 2025



## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Century Properties Group Inc.

### Report on the Audit of the Parent Company Financial Statements

#### Opinion

We have audited the parent company financial statements of Century Properties Group, Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2022 and 2021, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years ended December 31, 2022 and December 31, 2021, and notes to the parent company financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

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

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

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

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





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

### **Auditor's Responsibilities for the Audit of the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the parent company financial statements.

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





### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 22 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Parent Company. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this auditor's report is Ma. Emilita L. Villanueva.

SYCIP GORRES VELAYO & CO.



Ma. Emilita L. Villanueva

Partner

CPA Certificate No. 95198

Tax Identification No. 176-158-478

BOA/PRC Reg. No. 0001, August 25, 2022, valid until April 15, 2024

SEC Partner Accreditation No. 95198-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2022, November 10, 2022, valid until November 9, 2024

PTR No. 9566019, January 3, 2023, Makati City

March 28, 2023





**CENTURY PROPERTIES GROUP INC.****(A Subsidiary of Century Properties Inc.)****PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	<b>₱253,570,816</b>	₱1,402,346,596
Short-term investments (Note 5)	–	1,008,690,571
Receivables (Note 6)	<b>840,802,858</b>	519,553,498
Due from related parties (Note 15)	<b>11,044,627,403</b>	9,916,116,371
Input VAT	<b>10,231,738</b>	7,195,600
<b>Total Current Assets</b>	<b>12,149,232,815</b>	12,853,902,636
<b>Noncurrent Assets</b>		
Investments in subsidiaries (Note 9)	<b>8,678,320,225</b>	8,198,007,725
Investment in and advances to a joint venture	–	3,055,000
Property and equipment	<b>265,996</b>	–
Deferred tax assets, net (Note 16)	<b>10,590,006</b>	17,634,425
Other noncurrent assets (Note 8)	<b>20,066,865</b>	34,047,993
<b>Total Noncurrent Assets</b>	<b>8,709,243,092</b>	8,252,745,143
<b>TOTAL ASSETS</b>	<b>₱20,858,475,907</b>	₱21,106,647,779
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 10)	<b>₱104,261,593</b>	₱153,843,061
Current portion of long-term debt (Note 11)	–	2,189,066,923
Current portion of bonds payable (Note 12)	–	2,992,055,358
Due to related parties (Note 15)	<b>2,626,534,357</b>	267,093,723
Income tax payable	<b>116,120</b>	–
<b>Total Current Liabilities</b>	<b>2,730,912,070</b>	5,602,059,065
<b>Noncurrent Liabilities</b>		
Noncurrent portion of bonds payable (Note 12)	<b>5,917,253,923</b>	2,955,140,071
Pension liabilities (Note 17)	<b>125,106,099</b>	140,942,010
Deferred output tax payable	<b>2,833,458</b>	–
<b>Total Noncurrent Liabilities</b>	<b>6,045,193,480</b>	3,096,082,081
<b>Total Liabilities</b>	<b>8,776,105,550</b>	8,698,141,146
<b>Equity (Note 18)</b>		
Common stock - ₱0.53 par value		
Authorized - 18,000,000,000 shares		
Issued - 11,699,723,690 shares	<b>6,200,853,553</b>	6,200,853,553
Preferred stock - ₱0.53 par value		
Authorized - 3,000,000,000 shares		
Issued - 30,000,000 shares	<b>15,900,000</b>	15,900,000
Additional paid-in capital	<b>5,524,776,889</b>	5,524,776,889
Treasury shares - 100,123,000 shares	<b>(109,674,749)</b>	(109,674,749)
Remeasurement gain on defined benefit plan	<b>77,624,052</b>	53,489,579
Retained earnings	<b>372,890,612</b>	723,161,361
<b>Total Equity</b>	<b>12,082,370,357</b>	12,408,506,633
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱20,858,475,907</b>	₱21,106,647,779

See accompanying Notes to Parent Company Financial Statements.





**CENTURY PROPERTIES GROUP INC.****(A Subsidiary of Century Properties Inc.)****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>INCOME</b>		
Dividend income (Notes 6 and 9)	<b>₱615,608,831</b>	₱80,651,148
Interest income (Notes 4, 5, 7 and 15)	<b>30,902,308</b>	35,297,083
	<b>646,511,139</b>	115,948,231
<b>EXPENSES</b>		
Salaries, wages and employee benefits	<b>143,072,881</b>	157,469,028
Entertainment, amusement and recreation	<b>74,480,069</b>	54,986,930
Professional fees	<b>11,335,156</b>	25,036,068
Marketing and promotions	<b>9,399,088</b>	4,095,352
Rent	<b>4,212,917</b>	8,243,234
Loss on write-off of investment in and advances to a joint venture (Note 6 and 8)	<b>3,055,000</b>	—
Taxes and licenses	<b>2,446,254</b>	939,989
Supplies	<b>1,447,773</b>	12,351,299
Depreciation and amortization	<b>79,567</b>	2,381,435
Miscellaneous (Note 13)	<b>56,143,420</b>	10,599,984
	<b>305,672,125</b>	276,103,319
<b>OTHER EXPENSES</b>		
Foreign exchange loss	<b>(204,961)</b>	(12,404)
Interest and other financing charges (Notes 11, 12, and 14)	<b>(508,253,373)</b>	(550,400,883)
Others	<b>24,302,347</b>	8,848,910
	<b>(484,155,987)</b>	(541,564,377)
<b>LOSS BEFORE INCOME TAX</b>	<b>(143,316,973)</b>	(701,719,465)
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 16)	<b>5,422,776</b>	(54,708,714)
<b>NET LOSS</b>	<b>(148,739,749)</b>	(647,010,751)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>24,134,473</b>	53,489,579
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(₱124,605,276)</b>	(₱593,521,172)
<b>Basic earnings per share</b>	<b>(₱0.03)</b>	(₱0.07)

*See accompanying Notes to Parent Company Financial Statements.*





**CENTURY PROPERTIES GROUP INC.****(A Subsidiary of Century Properties Inc.)****PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>Capital stock (Note 18)</b>		<b>Additional paid-in capital</b>	<b>Treasury shares (Note 18)</b>	<b>Remeasurement Gain on Defined Benefit Plan (Note 17)</b>	<b>Retained earnings (Note 18)</b>	<b>Total</b>
	<b>Common stock</b>	<b>Preferred stock</b>					
Balances at January 1, 2021	₱6,200,853,553	₱15,900,000	₱5,524,776,889	(₱109,674,749)	₱—	₱1,535,478,265	₱13,167,333,958
Net loss	—	—	—	—	—	(647,010,751)	(647,010,751)
Other comprehensive income	—	—	—	—	53,489,579	—	53,489,579
Cash dividends declared (Note 18)	—	—	—	—	—	(165,306,153)	(165,306,153)
<b>Balances at December 31, 2021</b>	<b>6,200,853,553</b>	<b>15,900,000</b>	<b>5,524,776,889</b>	<b>(109,674,749)</b>	<b>53,489,579</b>	<b>723,161,361</b>	<b>12,408,506,633</b>
Net loss	—	—	—	—	—	(148,739,749)	(148,739,749)
Other comprehensive income	—	—	—	—	24,134,473	—	24,134,473
Cash dividends declared (Note 18)	—	—	—	—	—	(201,531,000)	(201,531,000)
<b>Balances at December 31, 2022</b>	<b>₱6,200,853,553</b>	<b>₱15,900,000</b>	<b>₱5,524,776,889</b>	<b>(₱109,674,749)</b>	<b>₱77,624,052</b>	<b>₱372,890,612</b>	<b>₱12,082,370,357</b>

*See accompanying Notes to Parent Company Financial Statements.*



**CENTURY PROPERTIES GROUP INC.****(A Subsidiary of Century Properties, Inc.)****PARENT COMPANY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(P143,316,973)	(P701,719,465)
Adjustments for:		
Interest expense (Notes 11, 12 and 14)	508,253,373	550,400,883
Retirement expense	13,832,912	16,776,975
Depreciation and amortization	79,567	2,381,435
Loss on write-off of investment in and advances to a joint venture (Notes 6 and 8)	3,055,000	—
Dividend income (Notes 6 and 9)	(615,608,831)	(80,651,148)
Interest income (Notes 4, 5, 7 and 15)	(30,902,308)	(35,297,083)
Operating losses before changes in working capital	(264,607,260)	(248,108,403)
Increase in:		
Receivables	(391,249,360)	(10,029,627)
Other assets	(3,036,138)	(7,274,646)
Increase (decrease) in:		
Increase in trade and other payables	(20,083,760)	10,930,767
Deferred output tax payable	2,833,458	—
Net cash used in operations	(676,143,060)	(254,371,908)
Dividends received (Notes 6 and 9)	685,608,831	86,651,148
Interest received (Notes 4, 5, 6 and 7)	30,902,308	62,719,272
Interest and other financing charges paid	(498,412,821)	(491,478,802)
Income tax paid	(6,180,157)	(4,484,676)
Net cash used in operating activities	(464,224,899)	(601,074,967)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances to related parties (Note 15)	(1,126,000,558)	(752,322,039)
Proceeds from:		
Collection of notes receivable (Notes 6 and 15)	—	150,718,000
Investment in bonds	—	463,750,000
Short-term investments (Note 5)	1,008,690,571	—
Payments for:		
Additions to investment in subsidiaries (Note 9)	(480,312,500)	(300,000,000)
Additions to property and equipment	(316,963)	—
Short-term investments (Note 5)	—	(741,706,832)
Net cash used in investing activities	(597,939,450)	(1,179,560,871)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Issuance of bonds payable (Note 12)	3,000,000,000	3,000,000,000
Advances from (payments to) related parties (Note 15)	2,359,440,634	(3,575,160)
Payments for:		
Short-term debt (Note 11)	—	(315,300,000)
Long-term debt (Note 11)	(2,206,666,665)	(156,666,668)
Bonds payable (Note 12)	(3,000,000,000)	(119,110,000)
Dividends for common stockholders (Note 18)	—	(176,291,921)
Dividends for preferred stockholders (Note 18)	(201,499,252)	(151,148,250)
Deferred financing costs (Note 8)	(37,886,148)	(60,242,941)
Net cash provided by (used in) financing activities	(86,611,431)	2,017,665,060
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,148,775,780)</b>	<b>237,029,222</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,402,346,596</b>	<b>1,165,317,374</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>P253,570,816</b>	<b>P1,402,346,596</b>

See accompanying Notes to Parent Company Financial Statements.





# CENTURY PROPERTIES GROUP INC.

(A Subsidiary of Century Properties Inc.)

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

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### 1. Corporate Information

Century Properties Group Inc. (CPGI or the Parent Company), a publicly-listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 6, 1975. The Parent Company is a 68.22%-owned subsidiary of Century Properties Inc. (the Ultimate Parent or CPI) and the rest by the public. The Parent Company is primarily engaged in the development and construction of residential and commercial real estate projects.

The parent company financial statements as at and for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the Board of Directors (BOD) on March 28, 2023.

### 2. Basis of Preparation and Summary of Significant Accounting Policies

#### Basis of Preparation

The parent company financial statements have been prepared using the historical cost basis. The parent company financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency. All values are rounded to the nearest ₱, unless otherwise indicated.

#### Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) under Memorandum Circular No. 34-2020 in response to COVID-19 pandemic:

- a. Assessing if the transaction price includes a significant financing component discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D;
- b. Treatment of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E; and,
- c. Application of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*).

These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry:

- *Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry*
  - a. Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04); of land in the determination of the percentage-of-completion (POC); and
  - b. Treatment of uninstalled materials in the determination of the POC (as amended by PIC Q&A 2020-02).
- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*

The financial statements also include the availment of relief under SEC MC No. 4-2020 to defer the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods





under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost) until December 31, 2020.

In December 2020, the SEC issued MC No. 34-2020, allowing further deferral of the adoption of provision (a) and (b) above of PIC Q&A 2018-12 and the IFRIC Agenda Decision on Borrowing Cost, for another three (3) years or until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the section below under Changes in Accounting Policies and Disclosures.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and interpretations issued by PIC.

#### Changes in Accounting Policies and Disclosures

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

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

#### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements unless otherwise indicated.

##### *Effective beginning on or after January 1, 2023*

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

##### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

##### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*

##### *Deferred effectivity*

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





#### Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in the parent company statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

#### Cash in Banks

Cash in bank earns interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and are subject to an insignificant risk of change in value.

#### Short-term Investments

Short-term investments consist of money market placements made for varying periods of more than three (3) months and up to one (1) year and earn interest at the respective short-term investment rates. Short-term investments does not qualify as cash equivalents.

#### Financial Instruments - Initial Recognition and Subsequent Measurement

##### *Initial recognition*

The Parent Company classifies financial assets, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient are measured at the transaction price determined under PFRS 15.





For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Parent Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

#### *Subsequent measurement of financial assets*

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through OCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- Financial assets designated at fair value through OCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

#### *Financial assets at amortized cost*

The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This accounting policy relates to the Parent Company’s “Cash and cash equivalents”, “Short-term investments”, “Receivables”, “Due from related parties” and “Investment in bonds”.

#### *Classification of financial liabilities*

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Parent Company retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

This accounting policy relates to the Parent Company’s “Trade and other payables (excluding statutory payables)”, “Due to related parties”, “Short-term debt”, “Long-term debt” and “Bonds payable”.





### Impairment of Financial Assets

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

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

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Parent Company applies a simplified approach in calculating ECLs for “Receivables”. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For all debt financial assets other than receivables, ECLs are recognized using the general approach wherein the Parent Company tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Parent Company’s investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Parent Company from the time of origination.

The Parent Company’s “Cash and cash equivalents”, “Short-term investments” and “Due from related parties” are graded to be low credit risk investment based on the credit ratings of depository banks and related parties as published by Bloomberg Terminal.





### Derecognition of Financial Assets and Liabilities

#### *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

#### *Financial Liabilities*

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or has expired.

### Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Parent Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

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

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

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





For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the parent company statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the parent company statement of comprehensive income consistent with the function of the intangible asset.

As of December 31, 2022, and 2021, the Parent Company's intangible assets pertain to software licenses and trademark.

#### Impairment of Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that its nonfinancial assets (e.g. investments in subsidiaries and joint venture and other assets) may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

#### Equity

##### *Common stock, Preferred stock and Additional paid-in capital*

The Parent Company records common and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share.





*Retained earnings*

Retained earnings represent accumulated earnings of the Parent Company less dividends declared, if any.

*Treasury shares*

Treasury shares are own equity instruments which are reacquired and are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them respectively.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Parent Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Dividend income*

Revenue is recognized at a point in time when the Parent Company's right to receive payment is established.

*Interest income*

Interest income is recognized as it accrues taking into account the effective yield on the asset.

*Other income*

Other income is recognized at a point in time when there are incidental economic benefits, other than the usual business operations, that will flow to the Parent Company and that can be measured reliably.

Expenses

Expenses are recognized when incurred.

Income Taxes

*Current tax*

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

*Deferred tax*

Deferred tax is provided, using the balance sheet method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefit of unused net operating loss carryover (NOLCO), and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and the carry forward of unused NOLCO and MCIT can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.





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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as of the reporting date.

#### Events After the Reporting Date

Post year-end events up to the date of auditor's report that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

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### **3. Significant Accounting Judgments and Use of Estimates**

The preparation of the parent company financial statements in compliance with PFRSs requires the Parent Company to make judgments and estimates that affect the amounts reported in the parent company financial statements and notes. The judgments, estimates and assumptions used in the accompanying parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the parent company financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgment

In the process of applying the Parent Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

#### *Determining impairment indicators of nonfinancial assets*

The Parent Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Parent Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

The Parent Company determined that there were no indicators which could trigger an impairment review in 2022 and 2021, hence, no impairment loss was recognized in both years.





*Classification of due from related parties*

The Parent Company classified due from related parties as current assets even if there have been minimal movement in respect of collections of these receivables. The Parent Company believes based on its discussion with the counterparties that these receivables will finally be settled in 2023. These receivables amounted to ₱11,044.63 million and ₱9,916.12 million as of December 31, 2022 and 2021, respectively (see Note 15).

Estimates

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

*Recognition of deferred tax assets*

The Parent Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies. The Parent Company assessed its projected performance in determining the sufficiency of the future taxable income. As of December 31, 2022 and 2021, the Parent Company has unrecognized deferred tax assets amounting to ₱438.05 million and ₱348.48 million, respectively. Recognized deferred tax assets in 2022 and 2021 are disclosed in Note 16.

*Incorporation of forward-looking information*

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Parent Company has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company considers a representative range of possible forecast scenarios. This process involves gathering two or more economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Parent Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.





#### 4. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash in banks	<b>₱31,484,116</b>	₱1,170,508,934
Cash equivalents	<b>222,086,700</b>	231,837,662
	<b>₱253,570,816</b>	₱1,402,346,596

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Parent Company and earn interest at the prevailing short-term rates ranging from 0.05% to 4.60% in 2022 and 0.25% to 2.125% in 2021.

Interest income earned on cash and cash equivalents amounted to ₱10.26 million and ₱22.83 million in 2022 and 2021, respectively.

#### 5. Short-term Investments

As of December 31, 2022 and 2021, short-term investments amounted to nil and ₱1,008.69 million, respectively. Short-term investments include money market placements exceeding 3 months but less than one year. Short-term investments earn at prevailing short-term rate of 0.90% to 2.125% in 2022 and 1.50% to 2.125% in 2021.

Interest income earned on short-term investments amounted to ₱20.65 million and ₱11.51 million in 2022 and 2021, respectively.

#### 6. Receivables

This account consists of:

	2022	2021
Notes receivable	<b>₱400,000,000</b>	₱—
Dividends receivable (Note 9)	<b>420,000,000</b>	490,000,000
Accrued interest receivable	<b>11,623,643</b>	11,623,643
Receivables from employees	<b>8,490,565</b>	17,311,205
Others	<b>688,650</b>	618,651
	<b>₱840,802,858</b>	₱519,553,498

Notes receivable pertain to the intercompany loans extended by the Parent Company to its subsidiaries. These bear interest ranging from 7.50% to 8.50% in 2022 and are due and demandable (see Note 15).





Dividends receivable pertains to cash dividend declaration from subsidiaries as follows (see Note 9):

	2022	2021
Century Limitless Corporation (CLC)	<b>₱400,000,000</b>	₱350,000,000
Century City Development II Corporation (CCDCII)	<b>20,000,000</b>	140,000,000
	<b>₱420,000,000</b>	₱490,000,000

Accrued interest receivable pertains to interest earned from money market placements under cash and cash equivalents and interest from on-loan agreement with subsidiaries (see Note 15).

Dividend receivables and other receivables are due within one year and bear no interest.

No allowance for expected credit losses on receivables was recognized as of December 31, 2022 and 2021.

## 7. Investments in Bonds

On July 10, 2019, the Parent Company purchased Philippine Peso-denominated, fixed rate bonds amounting to ₱463.75 million. The bonds were issued at par by China Banking Corporation, with maturity of eighteen (18) months from issue date and interest rate of 5.70% per annum. The bonds are rated “AAA” by Philippine Rating Services Corporation. Investment in bonds is classified and measured as financial assets at amortized cost since bonds are held to collect contractual cash flows representing solely payments of principal and interest. This investment in bonds matured in 2021.

## 8. Other Noncurrent Assets

This account consists of:

	2022	2021
Intangible assets	<b>₱18,157,093</b>	₱18,185,691
Bond issuance costs	–	13,825,625
Creditable withholding tax (CWT)	–	16,904
Others	<b>1,909,772</b>	1,909,773
	<b>₱20,066,865</b>	₱33,937,993

Intangible assets consist of application software licenses acquired by the Parent Company. Amortization recognized from the intangible asset amounted to ₱0.03 million and ₱2.38 million in 2022 and 2021, respectively, and is presented under the “Depreciation and amortization” account in the parent company statements of comprehensive income.

Bond issuance costs amounting to ₱13.83 million pertains to direct costs incurred and paid by the Parent for the public offering of retail bonds prior to issuance in 2022. The bonds relating to the issue costs was issued on February 24, 2022.

Others consists mostly of rental deposits which will be held and applied in relation to the Parent Company’s contracts for its administrative offices. The deposits are noninterest-bearing and are recoverable through application of rentals at the end of the lease term.





## 9. Investments in Subsidiaries

The following are the Parent Company's subsidiaries as of December 31, 2022 and 2021, which were all incorporated in the Philippines, and the related amounts of investment and percentages of ownership:

	% of Ownership		Amounts		Nature of Business
	2022	2021	2022	2021	
Century City Development Corporation (CCDC)*	100%	100%	₱3,616,291,142	₱3,616,291,142	Development and sale of condominiums
CLC	100%	100%	1,010,628,235	1,010,628,235	
CCDC II*	40%	40%	1,903,836,708	1,903,836,708	Leasing of office spaces
PHirst Park Homes, Inc. (PPHI)	60%	60%	1,987,500,000	1,507,500,000	Development and sale of residential house and lots
Century Communities Corporation (CCC)	100%	100%	126,771,700	126,771,700	Property management
Century Properties Management Inc. (CPMI)	100%	100%	17,979,940	17,979,940	
Century Destinations and Lifestyle Corp. (CDLC)	100%	100%	15,000,000	15,000,000	Real estate and hospitality activities
Century Nuliv Development Corporation (CNDC)	100%	100%	312,500	—	
			<b>₱8,678,320,225</b>	<b>₱8,198,007,725</b>	

\*CCDC owns 60% of CCDC II, making the effective ownership of the Parent Company in CCDC II 100% in 2022 and 2021.

In 2022, the Parent Company recognized dividend income amounting to ₱155.61 million from PPHI and ₱40.00 million from CPMI, of which all were paid as of December 31, 2022.

In 2022, the Parent Company recognized dividend income amounting to ₱400.00 million from CLC and ₱20.00 million from CCDC II. As of December 31, 2022, these dividends remain unpaid (see Note 6).

In 2021, the Parent Company recognized dividend income amounting to ₱80.65 million from PPHI, of which all were paid as of December 31, 2021.

In 2020, the Parent Company recognized dividend income amounting to ₱350.00 million from CLC, ₱140.00 million from CCDC II and ₱49.10 million from CPMI. As of December 31, 2021, ₱490.00 million of the dividends remain unpaid (see Note 6).

## 10. Trade and Other Payables

This account consists of:

	2022	2021
Accounts payable	₱12,601,153	₱29,391,505
Accrued expenses		
Accrued interest (Notes 11 and 12)	29,046,008	58,575,465
Dividends payable (Note 18)	52,962,007	52,930,258
Taxes payables	9,467,893	9,410,708
Others	184,532	3,535,125
	<b>₱104,261,593</b>	<b>₱153,843,061</b>





Accounts payable and accrued expenses are noninterest bearing and are due within one (1) year.

Accrued expenses consist mainly of utilities, marketing costs, professional fees, communication, transportation and travel, security, insurance and representation.

Taxes payable represent withholding taxes payable and VAT payable for expenses incurred.

Dividends payable pertains to the outstanding balance of the cash dividends declared in 2022 and 2021 subsequently paid in 2023 and 2022, respectively (see Note 18).

## 11. Loans Payable

### Short-term Debts

The roll forward of this account follows:

	2022	2021
Balance at beginning of year	₱—	₱315,300,000
Payments	—	(315,300,000)
Balance at end of year	₱—	₱—

In 2019, the Parent Company availed a new loan facility agreement with Chinabank Corporation (CBC) amounting to ₱890.00 million with interest rate ranging from 5.25% to 5.91%. These loans were paid in full in 2021.

Interest expense incurred for short-term debts in 2021 amounted to ₱10.16 million (see Note 14).

### Long-term Debts

The roll forward of this account in 2022 follows:

	2022	2021
Principal:		
Balance at beginning of year	₱2,206,666,665	₱2,363,333,333
Payments	(2,206,666,665)	(156,666,668)
Balance at end of year	—	2,206,666,665
Deferred financing costs:		
Balance at beginning of year	17,599,742	44,753,305
Amortization	(17,599,742)	(27,153,563)
Balance at end of year	—	17,599,742
	—	2,189,066,923
Less current portion	—	2,189,066,923
Noncurrent portion	₱—	₱—

On August 24 and September 2, 2020, the Parent Company entered into a two-year term loan agreement with CBC amounting to ₱1,400.00 million and ₱1,000.00 million, respectively. The loan has principal payments due quarterly with an interest of 4.85% per annum. These loans were paid in full in 2022.

Interest expense incurred for the long-term debts in 2022 and 2021 amounted to ₱49.47 million and ₱101.69 million, respectively (see Note 14).





Under the term loan agreement with CBC, the Parent Company pledged its shares over CCDC II amounting to ₱1,900.00 million (see Note 9). The Pledged Shares include the following:

- The Acquisition Shares, including the Directors' Shares, and the After Acquired Shares and all the rights, title and interest of any kind or character therein, together with all accessory contracts in relation thereto;
- all rights, benefits, dividends, loss proceeds, indemnities, insurance payments, and other payments received by or due to the Security Grantor in lieu of, or inherent to, or in connection with, the Pledged Shares; and
- all Property of every nature and description whether now owned or hereafter acquired as proceeds for, in exchange for, in substitution of, or replacement of any of the Pledged Shares.

The loan agreement contains some or all of the following restrictions: maintenance of debt service ratio, debt to equity ratio and current ratio of 1.2x, 2.0x and 1.5x, respectively. These restrictions and requirements were complied with by the Parent Company as of December 31, 2022 and 2021.

## 12. Bonds Payable

Bonds payable consist of the following:

	2022	2021
Three-year bond	₱3,000,000,000	₱6,000,000,000
Five-year bond	3,000,000,000	—
	<b>6,000,000,000</b>	<b>6,000,000,000</b>
Deferred financing costs		
Balance at beginning of year	52,804,571	34,343,713
Addition	37,886,148	60,242,941
Amortization	(7,944,642)	(41,782,083)
Balance at end of year	82,746,077	52,804,571
Carrying value	5,917,253,923	5,947,195,429
Less current portion	—	2,992,055,358
	<b>₱5,917,253,923</b>	<b>₱2,955,140,071</b>

On December 17, 2021, the Board approved the Parent Company's application for the establishment of an up to Six Billion Pesos (₱6,000,000,000) Debt Securities program and, as initial tranche thereof, the public offering of five (5)-year unsecured fixed-rate peso denominated retail bonds in the amount of Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000).

On February 11, 2022, the Securities and Exchange Commission approved the application of the Parent Company's Shelf Registration of Debt Securities in the aggregate amount of Six Billion Pesos (₱6,000,000,000) to be offered within a period of 3 years or such period as Securities and Exchange Commission may allow at an Issue Price of 100% of Face Value. The First Tranche of the Fixed Rate Retail Bonds is Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000) Five (5)-Year Fixed Retail Bonds due 2027.

On February 24, 2022, the Parent Company listed at the PDEX its five-year bonds, with interest rates of 5.7524%% p.a. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP).





On December 14, 2020, the Board approved the Parent Company's application of public offering of unsecured fixed-rate peso denominated retail bonds in amount of Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000).

On February 10, 2021, the Securities and Exchange Commission approved the Parent Company's application of public offering of unsecured fixed-rate peso denominated retail bonds in amount of Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000). On March 1, 2021, the Parent Company listed at the PDEX its three-year bonds, with interest rates of 4.8467% p.a.

On April 15, 2019, CPGI listed at the PDEX its three-year bonds, with interest rates of 7.8203% p.a. The ₱3.00 billion proceeds of the bonds will be used to partially finance development costs for CPGI's affordable housing and townhome projects. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP). On April 2022, this ₱3.00 billion was paid in full.

As of December 31, 2021, the seven-year bond payable amounting to ₱119.11 million was paid in full.

#### *Application for Public Offering of Retail Bonds*

On January 16, 2023, the Board approved the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds of in the principal amount of Two Billion Pesos (₱2,000,000,000.00), with an oversubscription option of up to One Billion Pesos (₱1,000,000,000.00) consisting of Series A 3-Year Bonds due 2026, Series B 5-Year Bonds due 2028 and Series C 7-Year Bonds due 2030, under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration

On March 3, 2023, the Securities and Exchange Commission approved the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (₱2,000,000,000.00) with an Over-subscription Option of up to One Billion Pesos (₱1,000,000,000.00), worth of Fixed Rate Bonds comprising of 6.5760% per annum three (3) year fixed rate bonds ("Series A Bonds"), 7.4054% per annum five (5) year fixed rate bonds ("Series B Bonds") and 7.6800% per annum seven (7) year fixed rate bonds ("Series C Bonds"), under its Six Billion Pesos (₱6,000,000,000.00) Debt Securities Program Shelf Registration. On March 17, 2023, the Parent Company listed at the Philippine Dealing & Exchange Corp. ("PDEX).

Interest expense incurred from bonds payable amounted to ₱392.13 million and ₱404.00 million in 2022 and 2021, respectively which include amortization of deferred financing costs amounting to ₱7.94 million and ₱41.78 million in 2022 and 2021, respectively (see Note 14).

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### **13. Miscellaneous Expense**

Miscellaneous expense amounted to ₱56.14 million and ₱10.60 million for the year ended December 31, 2022 and 2021, respectively. This pertains to business research and development software maintenance, notarial fees and membership fees, among others.





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#### 14. Interest and Other Financing Charges

Details of this account follow:

	2022	2021
Interest expense (Notes 11 and 12)	<b>₱441,609,308</b>	₱515,860,005
Other financing charges	<b>66,644,065</b>	34,540,878
	<b>₱508,253,373</b>	₱550,400,883

Other financing charges pertain to transaction costs incurred on various bank remittances related to long-term debt.

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#### 15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Parent Company has material related party transactions policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions shall be reviewed by the Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material related party transactions are those transactions that meet the threshold value as approved by the Committee amounting to ₱50.0 million and other requirements as may be recommended by the Committee.

The Parent Company in their regular conduct of business has entered into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements. Outstanding balances at year-end are unsecured and noninterest-bearing. There have been no guarantees provided or received for any related party receivables or payables.





### **Due to related parties**

Related party	Receipts (Payments)	Outstanding Balance		Terms and Conditions
		2022	2021	
<b>Ultimate Parent:</b>				
CPI	(P4,061,977)	<b>P237,284,750</b>	P241,346,727	
<b>Subsidiaries:</b>				Noninterest-bearing, due and demandable, unsecured
PPHI	—	<b>3,275,097</b>	3,275,097	
CCDC II	2,371,006,098	<b>2,371,006,098</b>	—	
Siglo Suites, Inc.	(7,959,847)	—	7,959,847	
CMDC	—	<b>14,512,052</b>	14,512,052	
Century Group International Corp. (CGIC)	456,360	<b>456,360</b>	—	
	<b>P2,359,440,634</b>	<b>P2,626,534,357</b>	<b>P267,093,723</b>	

### **Due from related parties**

Related party	Receipts (Payments)	Outstanding Balance		Terms and Conditions
		2022	2021	
<b>Subsidiaries:</b>				
CLC	P854,281,969	<b>P6,684,254,422</b>	P5,829,972,453	
CCC	(80,000)	<b>682,795,436</b>	682,875,436	
CCDC and subsidiaries	272,374,283	<b>3,316,303,060</b>	3,043,928,777	
CCDC II	(67,921,799)	—	67,921,799	Noninterest-bearing, due and demandable, unsecured, no impairment
CDLC	34,496	<b>249,820,549</b>	249,786,053	
CPMI	17,445,607	<b>17,445,607</b>	—	
Siglo Suites, Inc.	8,048,490	<b>8,048,490</b>	—	
Century PHirst Corporation	60,341,280	<b>60,341,280</b>	—	
Century Nu Liv Corporation	14,230,530	<b>14,230,530</b>	—	
Century Acqua Lifestyle Corporation	1,000,000	<b>1,000,000</b>	—	
<b>Others:</b>				
CGIC	(24,957)	—	24,957	
Stockholder	—	<b>10,388,029</b>	10,388,029	
Others	(31,218,867)	—	31,218,867	
	<b>P1,128,511,032</b>	<b>P11,044,627,403</b>	<b>P9,916,116,371</b>	

Due to or from the above related parties includes cross charges such as salaries and wages, travel of certain employees and administrative and operating expenses. The due to or from the above related parties are settled in cash.

#### *On-loan agreement with subsidiaries*

In 2013, the Parent Company entered into an On-Loan Agreement (the Agreement) with its subsidiaries regarding the use of proceeds from its bank loan with SCB. The Agreement states that the Parent Company may extend loan proceed to its subsidiaries to enable them to finance the construction and development of their respective projects. The loaned amount is subject to the same interest rates charged by SCB to the Parent Company. In 2021, this loan was collected in full. Interest income from on-loan agreement amounted P0.95 million as of December 31, 2021 (see Note 6).





*Transfer of pension liabilities*

In 2022 and 2021, CLC and CCDC, wholly-owned subsidiaries, transferred its pension liabilities to Parent Company as a result of the transfer of certain number of employees of the subsidiaries. The Parent Company recognized the transfer of pension liabilities amounting to ₱2.51 million and ₱195.48 million, respectively (see Note 17).

*Key management compensation*

In 2022 and 2021, the key management personnel of the Group include all directors, executive, and senior management. The details of compensation and benefits of key management personnel follow:

	2022	2021
Short-term employee benefits	<b>₱13,017,757</b>	₱13,017,757
Post-employment benefits	<b>1,014,923</b>	1,014,923
	<b>₱14,032,680</b>	₱14,032,680

## 16. Income Tax

The provision for (benefit from) income tax consists of:

	2022	2021
Final	<b>₱6,180,158</b>	₱4,544,733
MCIT	<b>243,023</b>	(60,057)
	<b>6,423,181</b>	4,484,676
Deferred	<b>(1,000,405)</b>	(59,193,390)
	<b>₱5,422,776</b>	(₱54,708,714)

*Current tax*

Income taxes include MCIT paid at the rate of 1% in 2022 and 2021 and final taxes paid at the rate of 20% which is a final withholding tax on gross interest income from debt instruments and other deposit substitutes. In 2021, current tax expense includes the effect of lower provision for current income tax for the year ended December 31, 2020 due to CREATE law that was only recognized in the parent company financial statements in 2021 amounting to ₱158,040.

*Deferred tax*

The components of the Company's net deferred tax assets are as follows:

	2022	2021
<i>Recognized in statements of comprehensive income:</i>		
Deferred tax assets on pension liabilities	<b>₱57,151,209</b>	₱53,065,363
Deferred tax liability on amortization of discount	<b>(20,686,519)</b>	(17,601,078)
	<b>36,464,690</b>	35,464,285
<i>Recognized in other comprehensive loss:</i>		
Deferred tax liability on remeasurement gains on pension liabilities	<b>(25,874,684)</b>	(17,829,860)
	<b>₱10,590,006</b>	₱17,634,425





On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2021 and 2020 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2022, the carryover of NOLCO that can be claimed as deduction from future taxable income is as follows:

Year Incurred	Amount	Additions	Expired	Balance	Expiry Year
2019	₱288,298,752	₱—	(₱288,298,752)	₱—	2022
2020	366,717,112	—	—	366,717,112	2025
2021	727,674,762	—	—	727,674,762	2026
2022	—	654,528,301	—	654,528,301	2027
	<b>₱1,382,690,626</b>	<b>₱654,528,301</b>	<b>(₱288,298,752)</b>	<b>₱1,748,920,175</b>	

As of December 31, 2022, MCIT that can be used as deductions against regular income tax liabilities are as follows:

Year incurred	Amount	Additions	Expired	Balance	Expiry Year
2019	₱2,081,733	₱—	(₱2,081,733)	₱—	2022
2020	474,120	—	—	474,120	2023
2021	97,983	—	—	97,983	2024
2022	—	243,023	—	243,023	2025
	<b>₱2,653,836</b>	<b>₱243,023</b>	<b>(₱2,081,733)</b>	<b>₱815,126</b>	

#### *Unrecognized deferred tax assets*

The Parent Company has NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized. Unrecognized deferred tax asset on NOLCO amounted to ₱437.23 million and ₱345.67 million as of December 31, 2022 and 2021, respectively, while unrecognized deferred tax asset on MCIT amounted to ₱0.82 million and ₱2.65 million as of December 31, 2022 and 2021, respectively.

#### *Statutory reconciliation*

The reconciliation of the provision for income tax computed at statutory income tax rate to the provision for income tax shown in the parent company statement of comprehensive income follows:

	2022	2021
Provision for income tax computed at statutory rate	<b>(₱35,829,243)</b>	(₱175,429,866)
Adjustments for:		
Change in unrecognized deferred tax asset		
including remeasurements due to CREATE	<b>89,769,918</b>	165,619,416
Final tax on interest income	<b>6,180,157</b>	4,544,733
Expired NOLCO	<b>72,074,688</b>	14,340,529
Expired MCIT	<b>2,081,733</b>	2,056,729
Nondeductible expense	<b>33,400,926</b>	15,893,462
Nontaxable income	<b>(153,902,208)</b>	(20,162,787)
Income subject to final tax	<b>(7,725,577)</b>	(8,586,920)
Impact of CREATE law as adjusted to current		
and deferred income tax	—	(4,112,891)
Transferred retirement benefit obligation	<b>(627,618)</b>	(48,871,119)
	<b>₱5,422,776</b>	(₱54,598,714)





Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act On March 26, 2021, the CREATE Bill was signed into law by the Philippine President. General provisions of the CREATE bill include the following:

- Domestic corporations with total assets of 100.00 million and below
  - With taxable income of 5.00 million and below - 20% RCIT
  - With taxable income of more than 5.00 million - 25% RCIT
- Domestic corporations with total assets of more than 100.00 million - 25% RCIT
- Reduction of MCIT from 2% to 1% for a period of three years (effective July 1, 2020 until June 30, 2023).

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event.

Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Parent Company would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

- Based on the provisions of Revenue Regulations (RR) No. 5 - 2021 dated April 8, 2021 issued by the BIR, the prorated CIT and MCIT rates of the Parent Company for CY2020 is 27.5% and 1.5%, respectively. This would have resulted in lower provision for current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020, amounting to ₱474,120 and ₱474,120, respectively, or a reduction of ₱158,040 and ₱158,040, respectively. However, for financial reporting purposes, the changes were only recognized in the 2021 parent company financial statements.
- This would have resulted in lower deferred tax assets and liabilities as of December 31, 2020 and provision for deferred tax for the year then ended by ₱3.95 million. These reductions were only recognized in the 2021 parent company financial statements.

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## 17. Pension Costs

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. The benefits are based on the projected retirement benefit of 22.5 days pay per year of service in accordance with Republic Act 7641, *The Retirement Pay Law*. The benefits are based on current salaries and years of service and compensation on the last year of employment. An independent actuary conducts an actuarial valuation of the retirement benefit obligation using the projected unit credit method.

In 2022 and 2021, certain number of employees of CCDC and CLC, wholly-owned subsidiaries, was transferred to the Parent Company. The corresponding pension liabilities of these subsidiaries amounting to ₱2.51 million and ₱195.48 million was transferred to the Parent Company in 2022 and 2021, respectively.





The components of retirement expense included under “Salaries, wages and employee benefits” follow:

	2022	2021
Current service cost	<b>₱6,502,490</b>	₱9,023,088
Net interest cost on benefit obligation	<b>7,330,422</b>	7,753,887
Retirement expense	<b>₱13,832,912</b>	₱16,776,975

Changes in the present value of the retirement obligation (PVRO) are as follows as of December 31, 2022:

	2022	2021
PVRO:		
Balance at January 1	<b>₱140,942,010</b>	₱—
Transfer from Subsidiaries	<b>2,510,474</b>	195,484,474
Current service cost	<b>6,502,490</b>	7,753,887
Interest cost	<b>7,330,422</b>	9,023,088
Actuarial loss (gain) from changes in:		
Financial assumption	<b>(24,132,828)</b>	—
Experience and demographic assumptions	<b>(8,046,469)</b>	(71,319,439)
Balance at December 31	<b>₱125,106,099</b>	₱140,942,010

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumptions on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant.

	December 31, 2022	
	Increase (decrease)	Effect on DBO
Discount rate	<b>1.0%</b>	<b>(₱8,861,761)</b>
Discount rate	<b>(1.0%)</b>	<b>10,259,926</b>
Rate of salary increase	<b>1.0%</b>	<b>10,286,766</b>
Rate of salary increase	<b>(1.0%)</b>	<b>(9,038,815)</b>

  

	December 31, 2021	
	Increase (decrease)	Effect on DBO
Discount rate	1.0%	(₱11,950,464)
Discount rate	(1.0%)	14,043,418
Rate of salary increase	1.0%	13,774,876
Rate of salary increase	(1.0%)	(11,962,013)

The assumptions used to determine pension benefits for the Group in 2022 are as follows:

	2022	2021
Discount rate	<b>7.26%</b>	5.11%
Salary increase rate	<b>6.00%</b>	6.00%





Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending	Amount
December 31, 2022	₱47,405,172
December 31, 2023	—
December 31, 2024	—
December 31, 2025	—
December 31, 2026	—
December 31, 2027 through December 31, 2031	14,243,699

## 18. Equity

### *Common stock*

The Parent Company's authorized capital stock and issued and subscribed shares amounted to 15,000.00 million shares and 11,699.72 million shares, respectively as of December 31, 2022 and 2021. There are no movements in the Parent Company's authorized, issued and subscribed shares in 2022 and 2021.

The following summarizes the Parent Company's record of registration of securities under the Revised Securities Regulation Code:

On February 09, 2000, the Parent Company was listed with the Philippine Stock Exchange with a total of 3,554.72 million common stock, issued, paid and outstanding. The offering of the shares was at ₱1.00 per share.

On November 11, 2014, the Philippine Stock Exchange, Inc. approved the application of the Parent Company to list additional 730.32 million common stock, with a par value of ₱0.53 per share, to cover the Parent Company's 20.62% stock dividend declaration to stockholders of record as of October 27, 2014 which was paid on November 14, 2014.

On August 30, 2019, the Parent Company's BOD authorized and approved the amendment of the stockholders' resolution dated September 29, 2017, specifically: (a) change in the par value of the proposed reclassified 3.00 billion Preferred stock from ₱1.00 to ₱0.53 per share and (b) no increase in the authorized capital stock of the Parent Company, together with the consequent amendment of article nine of the amended articles of incorporation of the Parent Company. The amendment was approved by the SEC in January 2020.

As of December 31, 2022 and 2021, the Parent Company had 496 stockholders, with at least one board lot at the PSE, for a total of 11,599,600,690 (₱0.53 par value) issued and outstanding common shares.

There is no movement in authorized and issued common shares in 2022 and 2021.

### *Preferred stock*

On January 10, 2020, the Parent Company listed at the main board of the PSE its maiden follow-on offering of preferred stock under the trading symbol "CPGP". These preferred shares are cumulative, non-voting, non-participating and redeemable at the option of the Parent Company. The Parent Company offered 20 million preferred stock at ₱100.00 each with an oversubscription option of up to 10 million preferred stock on December 16, 2019 to January 3, 2020, after the SEC issued an order rendering the Registration Statement that was filed on October 19, 2019 effective and a





corresponding permit to offer the securities for sale. The initial dividend rate was set at 6.7177% per annum. The dividends on the preferred stock shall be paid quarterly, every January 10, April 10, July 10, and October 10 of each year.

The 30,000,000 preferred stock with a par value of ₱0.53 were fully subscribed totaling ₱15.90 million. Additional paid-in capital from preferred stock amounted ₱2,984.10 million and issuance cost totaled ₱99.06 million resulting in a net additional paid-in capital ₱2,885.03 million. Total cash received from issuance of preferred shares amounted to ₱2,910.77 million. *Treasury shares* On January 7, 2013, the BOD of the Parent Company approved a share buyback program for those shareholders who opt to divest of their shareholdings in the Parent Company. A total of ₱800.00 million worth of shares were up for buyback for a time period of up to 24 months. In 2014 and 2013, a total of 85.68 shares and 14.44 million shares were reacquired at a total cost of ₱87.15 million and ₱22.52 million, respectively.

As of December 31, 2022 and 2021, treasury shares amounted to ₱109.67 million consisting of 100,123,000 shares. There are no movements in treasury shares during the year.

#### *Cash dividend declaration*

On December 6, 2022, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱50.38 million for shares of record January 5, 2023 with payment date on January 10, 2023. On January 10, 2023, all dividend declared were paid.

On August 11, 2022, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱50.38 million for shares of record October 5, 2022 with payment date on October 10, 2022.

On May 26, 2022, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱50.38 million for shares of record July 6, 2022 with payment date on July 11, 2022.

On February 4, 2022, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱50.38 million for shares of record April 6, 2022 with payment date on April 11, 2022.

On July 21, 2021, the BOD approved the declaration of ₱0.0050 per share cash amounting to ₱114.92 million for the common shares for distribution to the stockholders of the Parent Company of record as of August 6, 2021 with payment date on August 18, 2021, and of record as of October 7, 2021 with payment date on October 18, 2021. On December 31, 2021, all dividends declared were paid.

On November 29, 2021, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱50.38 million for shares of record January 5, 2022 with payment date on January 10, 2022. As of December 31, 2021, the dividends declared remained unpaid.

On December 22, 2020, the BOD approved the declaration of cash dividends for the preferred shares with dividend rate of 6.7177% amounting to ₱201.53 million for shares of record January 5, 2021 with payment date on January 11, 2021, shares of record date April 6, 2021 with payment date on April 12, 2021, shares of record date July 6, 2021 with payment date on July 12, 2021 and shares of record date October 6, 2021 with payment date on October 11, 2021.





Total unpaid dividends amounted to ₱52.96 million and ₱52.98 million as of December 31, 2022 and December 31, 2021, respectively. (see Note 10).

*Capital risk management*

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong and healthy statement of financial position to support its current business operations and drive its expansion and growth in the future.

Total capital is calculated as equity as shown in parent company statement of financial position.

Except from the restrictions imposed in Note 11 and 12, the Parent Company is not subject to any other externally imposed capital requirements.

The table below pertains to the account balances the Parent Company considers as its core capital:

	2022	2021
Common stock	<b>₱6,200,853,553</b>	₱6,200,853,553
Preferred stock	<b>15,900,000</b>	15,900,000
Additional paid-in capital	<b>5,524,776,889</b>	5,524,776,889
Treasury shares	<b>(109,674,749)</b>	(109,674,749)
Retained earnings	<b>372,890,612</b>	723,161,361
	<b>₱12,004,746,305</b>	₱12,355,017,054

## 19. Financial Instrument

Fair Value of Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of the Parent Company's financial instruments as of December 31, 2022 and 2021:

	2022		2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Liabilities</b>				
Long-term debt	<b>₱—</b>	<b>₱—</b>	₱ 2,189,066,923	₱2,206,666,665
Bonds payable	<b>5,917,253,923</b>	<b>6,000,000,000</b>	5,947,195,429	6,000,000,000

Fair values of cash and cash equivalents, short-term investments, receivables, due from and to related parties, trade and other payables and short-term debt approximate their carrying amounts due to the short-term nature of the transactions.

The fair value of long-term debt is estimated using the discounted cash flow methodology using the Parent Company's applicable market interest rates for similar borrowings. The discount rates used for the long-term debt ranged from 1.00% to 1.85% as of December 31, 2021.

The fair value of bonds payable is estimated using the discounted cash flow methodology using the Parent Company's applicable market interest rates for similar borrowings. The discount rates used for the bonds payable ranged from 1.25% to 1.91% as of December 31, 2022, and 2021.





### Financial Risk Management Objectives and Policies

The Parent Company's principal financial liabilities consist of trade and other payables, due to related parties and long-term debts and bonds payable. The main purpose of the Parent Company's financial liabilities is to finance the subsidiaries' operations. The Parent Company's financial assets comprise of cash and cash equivalents, receivables, due from related parties and investment in bonds. The main risks arising from the use of financial instruments are credit risk and liquidity risk. The BOD reviews and agrees with policies for managing each of these risks. The Parent Company monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD. The Parent Company's risk management policies are summarized below.

#### *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company's exposure to credit risk arises from default of the counterparties. The Parent Company transacts only with institutions or banks that have proven track record in financial soundness.

The Parent Company's maximum exposure to credit risk as of December 31, 2022 and 2021 is equal to the carrying values of its financial assets amounting to ₱9,869.11 million and ₱12,829.39 million, respectively.

All of the Parent Company's financial assets are neither past due nor impaired.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and short-term investments are considered as high-grade financial assets as these are entered into with highly reputable counterparties.

Receivables and due from related parties are considered as standard grade as these are settled on time or are slightly delayed due to unresolved concerns.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and dividends and advances from related parties. The Parent Company considers its available funds and its liquidity in managing its long-term financial requirements. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Parent Company's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt.





The following table shows the maturity profile of the Parent Company's financial assets used for liquidity purposes and financial liabilities based on undiscounted cash receipts and payments, respectively as of December 31, 2022 and 2021:

	2022		Total
	Within 1 year	1 - 5 years	
Financial Assets			
Cash and cash equivalents	₱253,570,816	₱—	₱253,570,816
Receivables*	832,312,293	—	832,312,293
Due from related parties	11,044,627,403	—	11,044,627,403
	₱12,130,510,512	₱—	₱12,130,510,512
Financial Liabilities			
Trade and other payables**	₱94,793,700	₱—	₱94,793,700
Due to related parties	2,626,534,357	—	2,626,534,357
Bonds payable:			
Principal	—	6,000,000,000	6,000,000,000
Interest	317,973,000	597,209,250	915,182,250
	₱2,944,507,357	₱6,597,209,250	₱9,541,716,607

\*Excluding receivables from employees amounting to ₱8.49 million as of December 31, 2022.

\*\*Excluding statutory payables amount to ₱9.47 million as of December 31, 2022.

	2021		Total
	Within 1 year	1 - 5 years	
Financial Assets			
Cash and cash equivalents	₱1,402,346,596	₱—	₱1,402,346,596
Short-term investment	1,008,690,571	—	1,008,690,571
Receivables*	502,242,393	—	502,242,393
Due from related parties	9,916,116,371	—	9,916,116,371
	₱12,829,395,931	₱—	₱12,829,395,931
Financial Liabilities			
Trade and other payables**	₱91,783,051	₱—	₱91,783,051
Due to related parties	267,093,723	—	267,093,723
Long-term debt:			
Principal	2,206,666,665	—	2,206,666,665
Interest	79,736,694	—	79,736,694
Bonds payable:			
Principal	3,000,000,000	3,000,000,000	6,000,000,000
Interest	262,705,500	181,751,250	444,456,750
	₱5,907,985,633	₱3,181,751,250	₱9,089,736,883

\*Excluding receivables from employees amounting to ₱17.31 million as of December 31, 2021.

\*\*Excluding statutory payables amount to ₱9.41 million as of December 31, 2021.

## 20. Events After the Reporting Date

### Public Offering of Retail Bonds

On February 11, 2022, the Securities and Exchange Commission approved the application of the Parent Company's Shelf Registration of Debt Securities in the aggregate amount of Six Billion Pesos (₱6,000,000,000) to be offered within a period of 3 years or such period as Securities and Exchange Commission may allow at an Issue Price of 100% of Face Value. The First Tranche of the Fixed Rate Retail Bonds is Two Billion Pesos (₱2,000,000,000) with an Oversubscription Option of up to One Billion Pesos (₱1,000,000,000) Five (5)-Year Fixed Retail Bonds due 2027.





On March 17, 2023, the Group's second tranche offer of fixed rate retail bonds consisting of up to Two Billion Pesos (P2,000,000,000.00) with an Over-subscription Option of up to One Billion Pesos (P1,000,000,000.00) have been listed at the Philippine Dealing & Exchange Corp. (PDEX).





## 21. Notes to Parent Company Statement of Cash Flows

### *Noncash financing activities*

- Amortization of deferred financing costs amounting to ₱25.54 million and ₱68.94 million in 2022 and 2021, respectively (See Notes 11 and 12).
- Transfer of pension liabilities from subsidiaries to Parent company amounting to ₱2.51 million and ₱195.48 million in 2022 and 2021, respectively (See Note 17).

### *Changes in liabilities arising from financing activities*

	2022				
	Beginning of the year	Cash flows	Movement in deferred financing cost	Dividend declaration	End of the year
Due to related parties	₱267,093,723	₱2,359,440,634	₱—	₱—	₱2,626,534,357
Bonds payable	5,947,195,429	—	(29,941,506)	—	5,917,253,923
Long-term debt	2,189,066,923	(2,206,666,665)	17,599,742	—	—
Dividends payable	52,980,641	(201,499,252)	—	201,531,000	53,012,389
Deferred financing costs	—	(37,886,148)	37,886,148	—	—
Total liabilities from financing activities	₱8,456,336,716	(₱86,611,431)	₱25,544,384	₱201,531,000	₱8,596,800,669

	2021				
	Beginning of the year	Cash flows	Movement in deferred financing cost	Dividend declaration	End of the year
Due to related parties	₱270,668,883	(₱3,575,160)	₱—	₱—	₱267,093,723
Bonds payable	3,084,766,287	2,880,890,000	(18,460,858)	—	5,947,195,429
Short-term debt	315,300,000	(315,300,000)	—	—	—
Long-term debt	2,318,580,028	(156,666,668)	27,153,563	—	2,189,066,923
Dividends payable	215,064,276	(327,440,171)	—	165,306,153	52,930,258
Deferred financing costs	—	(60,242,941)	60,242,941	—	—
Total liabilities from financing activities	₱6,204,379,474	₱2,017,665,060	₱68,935,646	₱165,306,153	₱8,456,286,333





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## 22. Supplementary Tax Information under Revenue Regulations 15-2010

RR No. 15-2010 are promulgated to amend certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying tax returns. In addition to the disclosures mandated under PFRS, RR No. 15-2010 requires disclosures regarding information on taxes, duties and license fees paid or accrued during the taxable year.

### Value Added Tax (VAT)

The rollforward of input VAT for 2022 follows:

Balance at January 1	₱7,195,600
Input VAT on purchase of goods and services including importation	3,036,138
	10,231,738
Claims for tax credit/refund and other adjustments	—
Balance at December 31	₱10,231,738

### Other Taxes and Licenses

Other taxes and licenses in 2022 pertain to license permit fees amounting to ₱2.45 million.

### Withholding Taxes

Details of withholding taxes remittances for the year are as follows:

Final withholding taxes	₱83,218,569
Withholding tax - compensation	34,908,113
Fringe benefit tax	3,729,161
Expanded withholding taxes	447,738
December 31, 2021	₱122,303,581





## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Century Properties Group Inc.  
21st Floor, Pacific Star Building  
Sen. Gil Puyat corner Makati Avenue  
Makati City

We have audited the accompanying parent company financial statements of Century Properties Group Inc. (the Parent Company) for the year ended December 31, 2022 on which we have rendered the attached report dated March 28, 2023.

In compliance with Securities Regulation Code Rule No. 68, we are stating that the Parent Company has four hundred seventy-nine (479) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Ma. Emilita L. Villanueva

Partner

CPA Certificate No. 95198

Tax Identification No. 176-158-478

BOA/PRC Reg. No. 0001, August 25, 2022, valid until April 15, 2024

SEC Partner Accreditation No. 95198-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2022, November 10, 2022, valid until November 9, 2024

PTR No. 9566019, January 3, 2023, Makati City

March 28, 2023





**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF RECONCILIATION  
OF RETAINED EARNINGS AVAILABLE  
FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors  
Century Properties Group Inc.  
21st Floor, Pacific Star Building  
Sen. Gil Puyat corner Makati Avenue  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Century Properties Group Inc. (the Parent Company) as at and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated March 28, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Parent Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ma. Emilita L. Villanueva  
Partner

CPA Certificate No. 95198

Tax Identification No. 176-158-478

BOA/PRC Reg. No. 0001, August 25, 2022, valid until April 15, 2024

SEC Partner Accreditation No. 95198-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions  
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2022 to 2025 financial statements of SEC covered institutions  
BIR Accreditation No. 08-001998-141-2022, November 10, 2022, valid until November 9, 2024  
PTR No. 9566019, January 3, 2023, Makati City

March 28, 2023





**CENTURY PROPERTIES GROUP INC.**

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**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND  
DECLARATION  
AS OF DECEMBER 31, 2022**

Unappropriated Retained Earnings, as adjusted to  
available for dividend distribution, beginning **₱560,421,249**

**Add: Net income (loss) actually earned/realized during the  
period**

Net income (loss) during the period closed to Retained Earnings	<b>(148,739,749)</b>
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	—
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	—
Unrealized actuarial gain	
Fair value adjustment (M2M gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP-gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—

**Sub-total** —

**Add: Non-actual/Unrealized Losses**

Depreciation on revaluation increment (after tax)	—
Adjustment due to deviation from PFRS/GAAP – loss	—
Loss on fair value adjustment of investment property (after tax)	—

**Net Income Actual/Realized** **(148,739,749)**

**Add(Less):**

Dividend declarations during the period	<b>(201,531,000)</b>
Appropriations of Retained Earnings during the period	—
Reversals of appropriations	—
Effects of prior period adjustments	—
Treasury shares	—

**(201,531,000)**

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**TOTAL RETAINED EARNINGS, END  
AVAILABLE FOR DIVIDEND**

**₱210,150,500**

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