

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The Stockholders and the Board of Directors  
Century Properties Group Inc.  
35th Floor, Pacific Star Building  
Sen. Gil Puyat corner Makati Avenue  
Makati City

### **Introduction**

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of Century Properties Group Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the interim consolidated statement of financial position as at September 30, 2023, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine-month periods ended September 30, 2023 and 2022, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Philippine Accounting Standard (PAS) 34, Interim Financial Reporting, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with PAS 34, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic.



### **Emphasis of Matter - Basis of Preparation**

We draw attention to Note 2 of the interim condensed consolidated financial statements which indicates that the interim condensed consolidated financial statements have been prepared in accordance with PAS 34, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the interim condensed consolidated financial statements are discussed in detail in Note 2. Our report is not modified in respect of this matter.

SYCIP GORRES VELAYO & CO.

*Ma. Emilita L. Villanueva*

Ma. Emilita L. Villanueva

Partner

CPA Certificate No. 95198

Tax Identification No. 176-158-478

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024

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

November 30, 2023



**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	₱3,831,615,470	₱4,130,877,582
Short-term investments (Note 7)	18,258,017	36,786,565
Receivables (Note 8)	10,382,799,346	9,845,284,321
Real estate inventories (Note 9)	16,658,863,431	17,723,397,564
Advances to suppliers and contractors (Note 10)	1,724,449,689	1,749,972,375
Due from related parties (Note 18)	1,101,240,952	975,322,703
Other current assets (Note 15)	2,002,289,380	1,642,042,968
<b>Total Current Assets</b>	<b>35,719,516,285</b>	<b>36,103,684,078</b>
<b>Noncurrent Assets</b>		
Noncurrent portion of installment contracts receivable (Note 8)	1,062,900,379	109,043,517
Deposits for purchased land (Note 11)	1,111,792,505	1,409,481,407
Investments in and advances to joint ventures and associate (Note 12)	277,325,954	275,367,104
Investment properties (Note 13)	12,387,769,012	12,394,980,010
Property and equipment (Note 14)	2,479,647,766	2,484,315,465
Deferred tax assets (Note 28)	43,870,819	33,204,518
Other noncurrent assets (Note 15)	1,174,119,529	1,121,024,349
<b>Total Noncurrent Assets</b>	<b>18,537,425,964</b>	<b>17,827,416,370</b>
<b>TOTAL ASSETS</b>	<b>₱54,256,942,249</b>	<b>₱53,931,100,448</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Note 16)	₱5,627,976,813	₱4,994,692,908
Contract liabilities (Note 17)	3,281,828,097	2,769,098,151
Due to related parties (Note 18)	389,927,791	358,060,626
Short-term debts (Note 19)	579,012,745	235,141,310
Current portion of:		
Long-term debt (Note 19)	3,979,919,509	2,192,453,618
Bonds payable (Note 20)	2,992,849,505	-
Liability from purchased land (Note 21)	67,200,000	67,200,000
Lease liability (Note 29)	14,404,534	15,434,671
Income tax payable	204,531,591	68,577,371
Other current liabilities (Note 30)	75,659,931	68,161,473
<b>Total Current Liabilities</b>	<b>17,213,310,516</b>	<b>10,768,820,128</b>
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Long-term debt (Note 19)	5,269,665,115	8,813,861,924
Bonds payable (Note 20)	5,873,933,322	5,917,253,923
Liability from purchased land (Note 21)	451,595	63,782,533
Lease liability (Note 29)	9,153,805	12,297,519
Retirement benefit obligation (Note 27)	251,672,274	231,186,468
Deferred tax liabilities (Note 28)	2,557,495,970	2,542,144,918
Other noncurrent liabilities (Note 30)	1,725,630,005	1,789,211,161
<b>Total Noncurrent Liabilities</b>	<b>15,688,002,086</b>	<b>19,369,738,446</b>
<b>Total Liabilities</b>	<b>₱32,901,312,602</b>	<b>₱30,138,558,574</b>

(Forward)



	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Equity</b>		
Common stock - ₱0.53 par value		
Authorized - 15,000,000,000 shares		
Issued - 11,699,723,690 shares	₱6,200,853,553	₱6,200,853,553
Preferred stock - ₱0.53 par value		
Authorized - 3,000,000,000 shares		
Issued - 30,000,000 shares (Note 23)	15,900,000	15,900,000
Additional paid-in capital (Note 23)	5,524,776,889	5,524,776,889
Treasury shares – 100,123,000 common shares and 30,000,000 preferred shares in 2023 and 100,123,000 common shares in 2022 (Note 23)	(3,109,674,749)	(109,674,749)
Retained earnings (Note 23)	11,120,106,440	10,514,098,828
Remeasurement income on retirement benefit obligation	17,657,255	17,440,823
Other components of equity (Note 23)	(683,197,961)	(683,197,961)
<b>Total Equity Attributable to Equity Holders of the Parent Company</b>	<b>19,086,421,427</b>	<b>21,480,197,383</b>
<b>Non-controlling interest (Note 23)</b>	<b>2,269,208,220</b>	<b>2,312,344,491</b>
<b>Total Equity</b>	<b>21,355,629,647</b>	<b>23,792,541,874</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱54,256,942,249</b>	<b>₱53,931,100,448</b>

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*



**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	For the Quarter Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<b>REVENUES</b>				
Revenue from contracts with customers:				
Real estate sales (Note 31)	₱2,394,255,579	₱2,877,446,863	₱8,230,642,190	₱7,370,735,752
Property management fee and other services (Note 31)	127,361,383	95,597,127	344,501,380	303,112,561
Hotel Revenue	13,875,012	–	32,391,530	–
Leasing revenue (Note 13)	396,826,261	343,160,030	1,046,942,711	962,782,469
Interest income from real estate sales	15,334,996	2,398,486	40,118,329	111,826,781
	<b>2,947,653,231</b>	<b>3,318,602,506</b>	<b>9,694,596,140</b>	<b>8,748,457,563</b>
<b>COST OF SALES AND SERVICES</b>				
Cost of real estate sales (Note 9)	1,316,314,144	1,838,268,821	4,756,002,022	4,662,386,325
Cost of leasing (Note 13)	106,027,621	113,570,575	326,523,498	278,065,766
Cost of services	69,765,526	63,299,179	222,408,506	195,458,647
	<b>1,492,107,291</b>	<b>2,015,138,575</b>	<b>5,304,934,026</b>	<b>5,135,910,738</b>
<b>GROSS PROFIT</b>	<b>1,455,545,940</b>	<b>1,303,463,931</b>	<b>4,389,662,114</b>	<b>3,612,546,825</b>
<b>GENERAL, ADMINISTRATIVE AND SELLING EXPENSES (Note 24)</b>				
	675,835,198	737,524,944	2,396,178,441	2,017,006,968
<b>OTHER INCOME (EXPENSES)</b>				
Interest and other income (Note 25)	363,138,927	106,363,939	629,403,103	346,575,364
Gain (loss) from changes in fair value of investment properties (Note 13)	(7,210,998)	21,781,888	(7,210,998)	21,781,888
Share in net earnings of joint ventures and associate (Note 12)	1,958,850	3,917,700	1,958,850	3,917,700
Interest and other financing charges (Note 26)	(384,565,657)	(182,592,171)	(969,905,242)	(671,685,254)
	<b>(26,678,878)</b>	<b>(50,528,644)</b>	<b>(345,754,287)</b>	<b>(299,410,302)</b>
<b>INCOME BEFORE INCOME TAX PROVISION FOR INCOME TAX (Note 28)</b>	<b>753,031,864</b>	<b>515,410,343</b>	<b>1,647,729,386</b>	<b>1,296,129,555</b>
<b>NET INCOME</b>	<b>647,812,018</b>	<b>479,853,852</b>	<b>1,304,112,748</b>	<b>1,146,353,338</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement income (losses) on defined benefit plan - net of deferred tax (Note 27)	216,432	–	216,432	(5,445,467)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱648,028,450</b>	<b>₱479,853,852</b>	<b>₱1,304,329,180</b>	<b>₱1,140,907,871</b>
<b>Net income attributable to:</b>				
Equity holders of the Parent Company (Note 23)	₱454,411,228	₱334,874,355	₱847,249,019	₱777,257,658
Non-controlling interests (Note 23)	193,400,790	144,979,497	456,863,729	369,095,680
	<b>₱647,812,018</b>	<b>₱479,853,852</b>	<b>₱1,304,112,748</b>	<b>₱1,146,353,338</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent Company (Note 23)	₱454,627,660	₱334,874,355	₱847,465,451	₱771,812,191
Non-controlling interests (Note 23)	193,400,790	144,979,497	456,863,729	369,095,680
	<b>₱648,028,450</b>	<b>₱479,853,852</b>	<b>₱1,304,329,180</b>	<b>₱1,140,907,871</b>
<b>Basic/diluted earnings per share (Note 23)</b>	<b>₱0.035</b>	<b>₱0.025</b>	<b>₱0.064</b>	<b>₱0.054</b>
<b>Dividend per share</b>	<b>₱0.006</b>	<b>₱0.000</b>	<b>₱0.006</b>	<b>₱0.000</b>

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)**

	<b>Total Equity Attributable to Equity Holders of the Parent Company</b>									
	Capital Stock	Preferred Shares	Additional Paid-in Capital	Treasury Shares	Retained Earnings	Remeasurement Gain (Loss) on Defined Benefit Plan	Other Components of Equity	Total	Non-controlling Interest	Total
<b>At January 1, 2023</b>	<b>₱6,200,853,553</b>	<b>₱15,900,000</b>	<b>₱5,524,776,889</b>	<b>(₱109,674,749)</b>	<b>₱10,514,098,828</b>	<b>₱17,440,823</b>	<b>(₱683,197,961)</b>	<b>₱21,480,197,383</b>	<b>₱2,312,344,491</b>	<b>₱23,792,541,874</b>
Movements for the nine-month period ended September 30, 2023:										
Total comprehensive income	–	–	–	–	847,249,019	216,432	–	847,465,451	456,863,729	1,304,329,180
Cash dividends (Note 22)	–	–	–	–	(241,241,407)	–	–	(241,241,407)	(500,000,000)	(741,241,407)
Redemption of Preferred Shares (Note 23)	–	–	–	(3,000,000,000)	–	–	–	(3,000,000,000)	–	(3,000,000,000)
<b>At September 30, 2023</b>	<b>₱6,200,853,553</b>	<b>₱15,900,000</b>	<b>₱5,524,776,889</b>	<b>(₱3,109,674,749)</b>	<b>₱11,120,106,440</b>	<b>₱17,657,255</b>	<b>(₱683,197,961)</b>	<b>₱19,086,421,427</b>	<b>₱2,269,208,220</b>	<b>₱21,355,629,647</b>
<b>At January 1, 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>₱9,814,339,360</b>	<b>(₱42,504,741)</b>	<b>(₱683,197,961)</b>	<b>₱20,720,492,351</b>	<b>₱1,630,172,290</b>	<b>₱22,350,664,641</b>
Movements for the nine-month period ended September 30, 2022:										
Total comprehensive income (loss)	–	–	–	–	777,257,658	(5,445,467)	–	771,812,191	369,095,680	1,140,907,871
Cash dividends (Note 22)	–	–	–	–	(151,148,249)	–	–	(151,148,249)	(200,000,000)	(351,148,249)
Investment from non-controlling interest (Note 23)	–	–	–	–	–	–	–	–	320,000,000	320,000,000
<b>At September 30, 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>₱10,440,448,769</b>	<b>(₱47,950,208)</b>	<b>(₱683,197,961)</b>	<b>₱21,341,156,293</b>	<b>₱2,119,267,970</b>	<b>₱23,460,424,263</b>

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Nine-Month Periods Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱1,647,729,386	₱1,296,129,555
Adjustments for:		
Interest and other financing charges (Note 26)	969,905,242	671,685,254
Depreciation and amortization (Notes 14 and 24)	88,914,010	46,258,200
Retirement expense (Note 27)	20,774,383	9,059,783
Impairment of investment in associate (Note 12)	–	3,055,000
Loss (gain) from changes in fair value of investment properties (Note 13)	7,210,998	(21,781,888)
Interest from cash and cash equivalents and short-term investment (Notes 6, 7, and 25)	(117,607,039)	(49,719,928)
Interest income from real estate sales	(40,118,329)	(111,826,781)
Share in net earnings of joint ventures and associate (Note 12)	(1,958,850)	(3,917,700)
Operating income before working capital changes	2,574,849,801	1,838,941,495
Decrease (increase) in:		
Receivables	(1,451,253,558)	(728,126,184)
Real estate inventories	1,483,273,016	800,415,772
Advances to suppliers and contractors	25,522,686	599,612,559
Other assets	(312,623,591)	93,313,818
Increase (decrease) in:		
Liability from purchased land	(63,330,938)	(46,329,405)
Accounts and other payables	608,424,352	(363,065,221)
Contract liabilities	512,729,946	(16,711,475)
Other liabilities	(140,492,428)	(84,033,250)
Cash generated from operations	3,237,099,286	2,094,018,109
Interest received (Notes 6, 7 and 25)	117,607,039	49,719,928
Interest and other financing costs paid (Notes 9 and 26)	(960,344,743)	(759,349,130)
Income taxes paid	(300,052,724)	(309,517,845)
Net cash provided by operating activities	2,094,308,858	1,074,871,062
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances made to related parties	(125,918,249)	(432,797,386)
Collections of/(additions to) :		
Short-term investments	18,528,548	795,895,557
Investment properties (Note 13)	–	(13,448,339)
Additions of property and equipment (Note 14)	(81,072,252)	(109,202,870)
Intangible Assets	(6,889,135)	–
Payments for deposits for purchased land (Note 11)	–	(157,398,415)
Net cash provided by (used in) investing activities	(195,351,088)	83,048,547
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional investment from non-controlling interest (Note 23)	–	320,000,000
Cash advances made to related parties	31,867,165	18,305,153
Receipts from (payments of) deposits for preferred shares	1,005,118	(38,399,561)
Proceeds from:		
Availment of bonds payable (Note 20)	3,000,000,000	3,000,000,000
Availment of short-term and long-term debt (Note 19)	1,475,648,730	5,001,993,021
Payments of:		
Short-term and long-term debt (Note 19)	(2,897,569,379)	(6,351,796,364)
Cost of issuance of debt instruments	(82,114,920)	(108,843,419)
Redemption of Preferred Shares (Note 23)	(3,000,000,000)	–
Bonds payable (Note 20)	–	(3,000,000,000)
Dividends paid to non-controlling interest	(500,000,000)	(200,000,000)
Cash dividends (Note 22)	(216,381,855)	(151,148,249)
Lease liabilities and interest on lease (Notes 29)	(10,674,741)	(13,358,816)
Net cash used in financing activities	(2,198,219,882)	(1,523,248,235)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(299,262,112)</b>	<b>(365,328,626)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b> (Note 6)	<b>4,130,877,582</b>	<b>3,693,074,161</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b> (Note 6)	<b>₱3,831,615,470</b>	<b>₱3,327,745,535</b>

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**

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**1. Corporate Information**

Century Properties Group Inc. (the Parent Company or CPGI), 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. CPGI and its subsidiaries (collectively referred to hereinafter as the Group) is primarily engaged in the development and construction of residential and commercial real estate projects.

The registered office address of the Parent Company is 35F, Century Diamond Tower, Century City, Kalayaan Ave. cor Salamanca St., Poblacion, Makati City.

*Issuance of Bonds ₱3.00-Billion Series A, B and C Bonds*

On March 3, 2023, the Certificate of Permit to Offer Securities for Sale was approved by the SEC relative to the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to ₱2,000,000,000 with an Over-subscription Option of up to ₱1,000,000,000, 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 ₱6,000,000,000 Debt Securities Program Shelf Registration (Note 20). These bonds were listed at the Philippine Dealing & Exchange Corp. on March 17, 2023 and are rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP).

*Acquisition of Additional Interest - PHirst Park Homes, Inc. (PPHI)*

On May 31, 2023, the Board of Directors (BOD) of CPGI approved the acquisition of 1,060,000,000 common shares with a par value of ₱1.00 per common share from Mitsubishi Corporation (MC), representing the latter's 40% ownership interest in PPHI, and 265,000 Preferred B shares with a par value of ₱1,000 per share owned by MC in PPHI. The said acquisition is subject to agreed conditions precedent and credit and regulatory approvals, including the Philippine Competition Commission (PCC).

The PCC has approved the above transaction on August 9, 2023. On November 24, 2023, CPGI concluded the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share. The total acquisition price of ₱1,438.00 million was paid in cash (see Note 23).

Prior to the above acquisition, PPHI was a joint venture project between CPGI and MC with a 60-40% shareholding, respectively.





*Acquisition of Additional Interests – Tanza Properties I, Inc. (TPI), Tanza Properties II, Inc. (TPII), and Tanza Properties III, Inc. (TPIII)*

On May 31, 2023, the Board of Directors of the Century Limitless Corporation (CLC) also approved the acquisition of the 40% shareholdings of MC in the following subsidiaries:

- a. 409,780 common shares with par value of ₱100.00 per share and 175,620 preferred shares with par value of ₱100.00 per share in TPI.
- b. 140,000 common shares with par value of ₱100.00 per share of MC in TPII.
- c. 120,000 common shares with par value of ₱100.00 per share of MC in TPIII.

The PCC has approved the above transaction on August 9, 2023. On November 24, 2023, CLC completed the above acquisition for a total acquisition price of ₱141.00 million which was paid in cash (see Note 23).

*Redemption of ₱3.00 Billion Redeemable Peso-denominated Preferred Shares*

On July 10, 2023, the Parent Company fully redeemed its ₱3.00 Billion Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares (“Preferred Shares” or “CPGP”) issued on January 10, 2020 at a redemption price of ₱100.00 per share (see Note 23). There were no accumulated unpaid cash dividends as of the date of redemption.

Approval of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on November 30, 2023.

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## 2. **Basis of Preparation, Statement of Compliance and Changes in Accounting Policies**

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared using the historical cost basis except for investment properties and security deposits.

The unaudited interim condensed consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company and its Subsidiaries. All amounts are rounded off to the nearest ₱, except when otherwise indicated.

The unaudited interim condensed consolidated financial statements have been prepared for inclusion in the prospectus in relation to a planned offering of the Parent Company.



#### Statement of Compliance

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, as modified by the application of the following reporting reliefs issued and approved by SEC under Memorandum Circular No. 34-2020 in response to the 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*).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's December 31, 2022 annual consolidated financial statements which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), which include the availment of relief granted by the SEC under Memorandum Circular (MC) Nos. 3-2019 and 14-2018 to defer the implementation of the following accounting pronouncements until December 31, 2020. 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); and
  - b. Treatment of land in the determination of the percentage-of-completion (POC).
- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*

The consolidated 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 the 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.



ResignBasis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Group. For the nine-month periods ended September 30, 2023 and 2022, there were no significant changes in the Parent Company's ownership interests in its subsidiaries.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at and for the year ended December 31, 2022, except for the following new standards and amendments effective as at January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

*Effective beginning on or after January 1, 2023*

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

*Effective beginning on or after January 1, 2024*

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

*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*
- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.



A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

- a. The accounting policies applied.
- b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&A which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component.

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021. The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

- a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach.  
The Group has decided on the adoption of modified retrospective approach.
- b. The exclusion of land in the determination of POC would have reduced the percentage of completion of real estate projects. Adoption of this guidance would have reduced revenue from real estate sales, cost of sales and installment contracts receivable; increased real estate



inventories and would have impacted deferred tax asset or liability and provision for deferred income tax for all years presented, and the opening balance of retained earnings.

The Group has decided on the adoption of modified retrospective approach.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*  
In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of IFRS 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23, *Borrowing Costs*, considering that these inventories are ready for their intended sale in their current condition.

The IFRIC Agenda Decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 21, 2020, the Philippine SEC issued Memorandum Circular No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Interim Condensed Consolidated Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred. This adjustment should have been applied retrospectively and would have resulted in restatement of prior year consolidated financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of the IFRIC agenda decision would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented. The Group has decided on the adoption of modified retrospective approach.

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### 3. Significant Judgments and Estimates

The preparation of the unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.



*Fair value of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss except for investment properties under construction. The Group determined that the fair value of its investment properties under construction cannot yet be reliably measurable, as such these investment properties are measure at cost. Once the construction is complete or the fair value is reliably measurable, whichever comes first, the Group will measure the investment property at fair value.

For its investment properties that are complete and whose fair values are reliably measurable, the Group engages annually independent valuation specialists to determine its fair value. The appraisers used the income approach for its land and buildings which are based on future cash flows available for such properties. The Group recognized a net loss of ₱7.21 million from changes in fair value of investment properties in the nine months period ended September 30, 2023 and a net gain of ₱21.78 million from changes in fair value of investment properties in the nine months period ended September 30, 2022. The carrying value of the investment properties amounted to ₱12,387.77 million and ₱12,394.98 million as of September 30, 2023 and December 31, 2022, respectively (see Note 13).

*Assessing Impairment of Nonfinancial Assets*

The Group assesses impairment on its nonfinancial assets and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and
- Significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less cost to sell or value in use whichever is higher.

The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

Considering the above, the Group assessed in 2023 that there are indicators of impairment in respect of its property intended to be operated as a hotel with a carrying value of ₱2,317.02 million as of September 30, 2023, given the future economic uncertainties that will affect the hospitality industry. Accordingly, the Group performed an impairment testing of the relevant asset as a separate cash-generating unit to determine if the carrying value of such asset is impaired as of September 30, 2023. The Group utilized a discounted cash flow model and used certain assumptions (including discount rate, annual average occupancy rate, performance growth rates, and a terminal value) to determine the value in use. The model used (a) projected cash flows that incorporated the impact of the pandemic in 2022, (b) a post-tax discount rate of 12.44%, and (c) a growth rate of 3% applied beyond the 10th year projections, among others. The Group benchmarked these assumptions against historical observations in internal businesses with similar performance drivers, as well as industry outlook. Based on the impairment testing performed, the Group did not identify impairment



of such property as of September 30, 2023. In terms of sensitivity, an impairment will result if the discount rate will be at 13.10%.

The Group did not identify impairment indicators on the other cash generating units of the Group, mainly on the basis that as consistently observed across the industry, the Group continued to perform well in 2023, in particular in respect of its real estate development segment which is the core business segment of the Group. The aggregate value of other nonfinancial assets (except for the hotel property) are ₱5,956.51 million and ₱5,491.74 million as of September 30, 2023 and December 31, 2022, respectively.

No impairment was recognized for the Group's nonfinancial assets as of September 30, 2023 and December 31, 2022.

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#### 4. Cyclicity of Operations

The Group is involved in a cyclical industry and is affected by changes in general and local economic conditions, including employment levels, availability of financing for property acquisitions, construction and mortgages, interest rates, consumer confidence and income, demand and supply of residential or commercial developments. The Philippine property market has in the past been cyclical and property values have been affected by the supply of and the demand for properties, the rate of economic growth and political and social developments in the Philippines.

Furthermore, the real estate industry may experience rapid and unsustainable rises in valuations of real property followed by abrupt declines in property values, as was experienced in the United States housing bubble in 2008. Such real estate bubbles may occur periodically, either locally, regionally or globally, which may result in a material adverse effect on the business, financial condition and results of operations of the Group.

To mitigate this risk, the Group diversified its revenue sources by expanding its leasing portfolio and has entered into the affordable housing segment in addition to its current vertical housing developments and property management business.

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#### 5. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development – sale of high-end, upper middle-income and affordable residential lots and units under partnership agreements;
- Leasing – lease of the Group's retail mall, office and commercial spaces; and
- Property management - facilities management of the residential and corporate developments of the Group and other third party projects, including provision of technical and related consultancy services.

Segment performance is evaluated based on net income after tax and is measured consistently with net income after tax in the unaudited interim condensed consolidated financial statements.



The financial information about the operations of these operating segments is summarized below:

	For the Nine-Month Period Ended September 30, 2023				
	Real Estate Development	Leasing	Hotel and Property Management	Adjustments and Elimination	Consolidated
<b>Revenue</b>	<b>₱8,290,418,539</b>	<b>₱1,046,942,711</b>	<b>₱376,892,910</b>	<b>(₱19,658,020)</b>	<b>₱9,694,596,140</b>
<b>Costs and expenses</b>					
Cost of real estate sales and services	4,756,002,022	326,523,498	222,408,506	-	5,304,934,026
General, administrative and selling expenses	2,322,287,685	49,108,801	107,721,630	(82,939,675)	2,396,178,441
<b>Operating income</b>	<b>1,212,128,832</b>	<b>671,310,412</b>	<b>46,762,774</b>	<b>63,281,655</b>	<b>1,993,483,673</b>
Other income	1,520,763,955	168,288,625	5,927,509	(1,063,618,136)	631,361,953
Other expense	(537,908,672)	(357,682,613)	(84,677,941)	3,152,986	(977,116,240)
<b>Income before income tax</b>	<b>2,194,984,115</b>	<b>481,916,424</b>	<b>(31,987,658)</b>	<b>(997,183,495)</b>	<b>1,647,729,386</b>
Provision for income tax	299,802,749	123,006,665	(11,516,530)	(67,676,246)	343,616,638
<b>Net income (loss)</b>	<b>₱1,895,181,366</b>	<b>₱358,909,759</b>	<b>(₱20,471,128)</b>	<b>(₱929,507,249)</b>	<b>₱1,304,112,748</b>
<b>Net income attributable to:</b>					
Owners of the Parent Company	₱1,438,317,637	₱358,909,759	(₱20,471,128)	(₱929,507,249)	₱847,249,019
Non-controlling interests	456,863,729	-	-	-	456,863,729
	<b>₱1,895,181,366</b>	<b>₱358,909,759</b>	<b>(₱20,471,128)</b>	<b>(₱929,507,249)</b>	<b>₱1,304,112,748</b>

	As of September 30, 2023				
<b>Other information</b>					
Segment assets	₱64,511,131,618	₱18,768,320,673	₱1,425,435,659	(₱30,491,816,520)	₱54,213,071,430
Deferred tax assets	-	-	33,866,310	10,004,509	43,870,819
<b>Total Assets</b>	<b>₱64,511,131,618</b>	<b>₱18,768,320,673</b>	<b>₱1,459,301,969</b>	<b>(₱30,481,812,011)</b>	<b>₱54,256,942,249</b>
Segment liabilities	₱35,686,080,023	₱13,224,908,122	₱1,421,342,942	(₱19,988,514,455)	₱30,343,816,632
Deferred tax liabilities	1,639,559,422	926,709,536	-	(8,772,988)	2,557,495,970
<b>Total Liabilities</b>	<b>₱37,325,639,445</b>	<b>₱14,151,617,658</b>	<b>₱1,421,342,942</b>	<b>(₱19,997,287,443)</b>	<b>₱32,901,312,602</b>

	For the Nine-Month Period Ended September 30, 2022				
	Real Estate Development	Leasing	Property Management	Adjustments and Elimination	Consolidated
<b>Revenue</b>	<b>₱7,482,562,533</b>	<b>₱999,030,779</b>	<b>₱303,112,561</b>	<b>(₱36,248,310)</b>	<b>₱8,748,457,563</b>
<b>Costs and expenses</b>					
Cost of real estate sales and services	4,662,386,325	278,065,766	195,458,647	-	5,135,910,738
General, administrative and selling expenses	2,049,477,852	58,452,262	59,150,290	(150,073,436)	2,017,006,968
<b>Operating income</b>	<b>770,698,356</b>	<b>662,512,751</b>	<b>48,503,624</b>	<b>113,825,126</b>	<b>1,595,539,857</b>
Other income	857,782,785	120,008,315	110	(605,516,258)	372,274,952
Other expense	(440,044,069)	(231,638,139)	(3,046)	-	(671,685,254)
<b>Income before income tax</b>	<b>1,188,437,072</b>	<b>550,882,927</b>	<b>48,500,688</b>	<b>(491,691,132)</b>	<b>1,296,129,555</b>
Provision for income tax	46,313,607	137,557,101	4,590,612	(38,685,103)	149,776,217
<b>Net income</b>	<b>₱1,142,123,465</b>	<b>₱413,325,826</b>	<b>₱43,910,076</b>	<b>(₱453,006,029)</b>	<b>₱1,146,353,338</b>
<b>Net income attributable to:</b>					
Owners of the Parent Company	₱773,027,785	₱413,325,826	₱43,910,076	(₱453,006,029)	₱777,257,658
Non-controlling interests	369,095,680	-	-	-	369,095,680
	<b>₱1,142,123,465</b>	<b>₱413,325,826</b>	<b>₱43,910,076</b>	<b>(₱453,006,029)</b>	<b>₱1,146,353,338</b>

	As of December 31, 2022				
	Real Estate Development	Leasing	Property Management	Adjustments and Elimination	Consolidated
<b>Other information</b>					
Segment assets	₱61,637,813,735	₱18,793,326,549	₱309,294,327	(₱26,842,538,681)	₱53,897,895,930
Deferred tax assets	10,590,006	-	12,625,887	9,988,625	33,204,518
<b>Total Assets</b>	<b>₱61,648,403,741</b>	<b>₱18,793,326,549</b>	<b>₱321,920,214</b>	<b>(₱26,832,550,056)</b>	<b>₱53,931,100,448</b>
Segment liabilities	₱30,445,559,476	₱13,499,061,188	₱260,464,436	(₱16,608,671,444)	₱27,596,413,656
Deferred tax liabilities	1,580,595,697	902,645,971	-	58,903,250	2,542,144,918
<b>Total Liabilities</b>	<b>₱32,026,155,173</b>	<b>₱14,401,707,159</b>	<b>₱260,464,436</b>	<b>(₱16,549,768,194)</b>	<b>₱30,138,558,574</b>





## 6. Cash and Cash Equivalents

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hand and in banks	₱2,065,319,653	₱2,043,009,395
Cash equivalents	1,766,295,817	2,087,868,187
	<b>₱3,831,615,470</b>	<b>₱4,130,877,582</b>

Cash in banks earns interest at the prevailing 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 Group and earn interest at prevailing short-term rates ranging from 0.25% to 2.125%. Interest income in cash and cash equivalents amounted to ₱113.37 million and ₱41.17 million for the nine-month periods ended September 30, 2023 and 2022, respectively (see Note 25).

## 7. Short-term Investments

As of September 30, 2023 and December 31, 2022, short-term investments amounted to ₱18.26 million and ₱36.79 million. Short-term investments include money market placements exceeding 3 months but less than one year. Short-term investments earn at average prevailing short-term rate ranging from 0.90% to 2.125% in 2023 and 2022, respectively.

Interest income in short-term investments amounted to ₱4.24 million and ₱8.55 million for the nine-month periods ended September 30, 2023 and 2022, respectively (see Note 25).

## 8. Receivables

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade receivables		
Installment contracts receivables (ICRs)	₱9,649,059,525	₱8,584,320,427
Leasing receivable	609,101,048	450,320,867
Management fees	185,304,335	140,819,720
Receivable from employees and agents	698,975,175	382,869,640
Advances to condominium corporations	105,312,491	104,981,945
Advances to customers	123,882,955	119,638,563
Other receivables	83,768,301	181,080,781
	<b>11,455,403,830</b>	<b>9,964,031,943</b>
Allowance for estimated credit losses	<b>(9,704,105)</b>	<b>(9,704,105)</b>
	<b>11,445,699,725</b>	<b>9,954,327,838</b>
ICRs - noncurrent	<b>(1,062,900,379)</b>	<b>(109,043,517)</b>
	<b>₱10,382,799,346</b>	<b>₱9,845,284,321</b>



ICRs pertain to receivables from the sale of real estate properties. These are collectible in monthly installments over a period of one (1) to five (5) years, bear no interest and with lump sum collection upon project turnover. Titles to real estate properties are not transferred to the buyer until full payment has been made. During the year, the Group recognized additional ICRs in relation to the launch of its new projects.

Leasing receivables represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. These are covered by security deposit of tenants' equivalent to two to four-month rental and two to four-month advance rent paid by the lessees. This includes both the fixed and contingent portion of lease. It also includes accrued rental receivable pertains to the effect of straight-line calculation of rental income.

Management fees are revenues arising from property management contracts. These are collectible on a 15- to 30-day basis depending on the terms of the management service agreement.

Receivable from employees and agents pertains to cash advances for retitling costs and other operational and corporate-related expenses. It also consists of salary loans granted to employees and are recoverable through salary deductions. These are realized within twelve months and bears no interest.

Advances to condominium corporations pertain to expenses paid by the Group on behalf of the condominium corporations for various expenses incurred for the projects already turned over. These receivables are due and demandable and bear no interest.

Advances to customers pertain to expenses paid by the Group on behalf of the customers for the taxes and other costs incurred in securing the title in the name of the customers. These receivables are billed separately to the respective buyers and are expected to be collected within one (1) year.

Other receivables mainly consist of receivables for repairs and installation cost charged to tenants and reimbursement of regulatory payments. This also includes non-trade receivables from sale of investment property. In 2021, the Group disposes its investment property amounting to ₱127.05 million, proceeds from the sale amounting to ₱52.23 million and ₱70.05 million, is still unsettled as of September 30, 2023 and December 31, 2022, respectively.

The allowance for expected credit losses pertain to management fees and other receivables. The Group uses vintage analysis approach to calculate ECLs for ICRs and provision matrix to calculate ECLs for other receivables. In 2023, the Group assessed that the expected credit loss on ICRs is immaterial.

#### *Receivable financing*

The Group entered into various agreements with a local bank whereby the Group assigned its ICRs and contract assets with recourse at weighted average interest rates of 6.25% and 6.28% on September 30, 2023 and September 30, 2022, respectively. The assignment agreements provide that the Group will substitute defaulted Contracts to Sell (CTS) with other CTS of equivalent value.

The gross amount of CTS used as collateral amounted to ₱985.55 million and ₱1,303.15 million as of September 30, 2023 and December 31, 2022, respectively (see Note 19).



## 9. Real Estate Inventories

This account represents the real estate projects for which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. This account also includes parcels of land that the Group plans to construct and develop as residential or commercial property for sale in the ordinary course of business. The Group's inventories are recognized at cost.

Details of this account follow:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Condominium units	<b>₱10,350,093,603</b>	₱11,751,816,204
Residential house and lots	<b>5,466,443,049</b>	5,192,943,484
Land	<b>842,326,779</b>	778,637,876
	<b>₱16,658,863,431</b>	₱17,723,397,564

The roll forward of this account follows:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Balance at beginning of period	<b>₱17,723,397,564</b>	₱16,143,099,068
Construction costs incurred	<b>2,210,002,347</b>	4,028,718,661
Purchase of land	<b>1,360,415,561</b>	1,905,092,486
Borrowing costs capitalized (Notes 19 and 20)	<b>121,049,981</b>	214,146,276
Transfers from investment properties (Note 13)	-	1,039,604,760
Cost of real estate sales	<b>(4,756,002,022)</b>	(5,607,263,687)
Balance at the end of period	<b>₱16,658,863,431</b>	₱17,723,397,564

General and specific borrowings were used to finance the Group's ongoing real estate projects. The related borrowing costs were capitalized as part of real estate inventories. The capitalization rate used in 2023 and 2022 are 1.15% and 1.52%, respectively, for general borrowing costs.

Cost of real estate sales amounted to ₱4,756.00 million and ₱4,662.39 million for the nine-month periods ended September 30, 2023 and 2022, respectively.

In 2023, the Group purchase land in Batulao (Batangas), Bacolod and Nueva Ecija which will be developed into a residential house and lot to be held for sale with amount totalling to ₱1,360.42 million. The related deposit on land amounting to ₱297.69 million were applied as the payment for the purchase of land (see Note 11).

In 2022, the Group purchased land in Katipunan, Quezon City which will be developed into a condominium project to be held for sale in the future amounting to ₱526.90 million. The related advances to land-owners amounting ₱419.23 million and deposit for purchased land amounting to ₱30.16 million were applied as part of the payment for the purchase of land (see Notes 11 and 15).

In 2022, the Group's affordable segment also purchased land in Bataan intended for development of residential house and lot amounting to ₱1,378.12 million.



The carrying values of inventories mortgaged for trust receipts payables and bank loans amounted to ₱985.55 million and ₱1,281.94 million as of September 30, 2023 and December 31, 2022, respectively (see Note 19).

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#### 10. Advances to Suppliers and Contractors

Advances to suppliers and contractors for the construction of the Group's real estate inventories amounting to ₱1,724.45 million and ₱1,749.97 million as of September 30, 2023 and December 31, 2022, respectively, are recouped and capitalized as part of real estate inventories every progress billing payment depending on the percentage of accomplishment.

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#### 11. Deposits for Purchased Land

This account consists of deposits made to property owners for the acquisition of parcels of land and the use of which is currently undetermined. Deposits for purchased land amounted to ₱1,111.80 million and ₱1,409.48 million as of September 30, 2023 and December 31, 2022, respectively.

In 2023, the Group purchased land in Batulao will be developed into a residential house and lot to be held for sale in the future. The related deposit for purchase land for the property, amounting to ₱297.69 million, was applied as part of the payment for the purchase land and was transferred to real estate inventories (see Note 9).

In 2022, the Group made additional deposits to property owners for the acquisitions of parcels of land located in Novaliches amounting to ₱80.83 million.

In 2022, the Group purchased land in Katipunan which will be developed into a condominium project to be held for sale in the future. The related deposit for the purchased land for the property, amounting to ₱30.16 million, was applied as part of the payment for the purchase of land (see Note 9)

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#### 12. Investment in and Advances to Joint Ventures and Associate

The Group's investments in joint ventures and associate are shown below:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Joint ventures:</b>		
One Pacstar Realty Corporation (One Pacstar)	<b>₱227,112,884</b>	₱222,562,484
Two Pacstar Realty Corporation (Two Pacstar)	<b>42,213,170</b>	44,804,720
<b>Associate:</b>		
Asian Breast Center (ABC)	<b>7,999,900</b>	7,999,900
	<b>₱277,325,954</b>	₱275,367,104

The Group recognized share in net earnings of the joint ventures amounting to ₱1.96 million and ₱3.92 million for the nine-month periods ended September 30, 2023 and 2022, respectively.



In 2022, the BOD of A2 Global approved the commencement of its liquidation, consequently the Group has written off its investments amounting to ₱3.06 million.

### 13. Investment Properties

The Group's investment properties are classified as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Land	₱5,061,961,969	₱5,061,961,969
Building	7,325,807,043	7,333,018,041
	<b>₱12,387,769,012</b>	<b>₱12,394,980,010</b>

Movements in this account are as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Cost:</b>		
Balance at beginning of period	₱8,343,741,289	₱9,962,422,883
Additions/construction costs incurred	–	13,448,339
Sale of property	–	(22,256,511)
Transfer to property and equipment	–	(556,820,321)
Transfer to real estate inventories (Note 19)	–	(1,053,053,101)
Balance at end of period	<b>8,343,741,289</b>	<b>8,343,741,289</b>
<b>Change in fair value:</b>		
Balance at beginning of period	4,051,238,721	4,032,608,471
Disposal	–	(9,615,488)
Gain (loss) from change in fair value of investment property – net	<b>(7,210,998)</b>	28,245,738
Balance at end of period	<b>4,044,027,723</b>	<b>4,051,238,721</b>
	<b>₱12,387,769,012</b>	<b>₱12,394,980,010</b>

Investment properties are stated at fair values as of September 30, 2023 and December 31, 2022, which have been determined based on valuations performed by an accredited independent valuer which is a specialist in valuing these types of investment properties. The Group recognized a net loss of ₱7.21 million from changes in fair value of investment properties in the nine months period ended September 30, 2023 and a net gain of ₱21.78 million from changes in fair value of investment properties in the nine months period ended September 30, 2022.

The methodology used by the Group to determine fair value is consistent with the valuation used in the 2022 annual consolidated financial statements. The fair value of the investment properties classified as buildings and land in the interim condensed consolidated financial statements is categorized within level 3 of the fair value hierarchy.



The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are as follows:

Property	Valuation technique	Significant unobservable inputs	Range	
			2023 (Unaudited)	2022 (Audited)
Land and Buildings	Discounted Cash Flow (DCF)	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance.	<b>Discount rate – 11.30 % to 12.09%</b>  <b>Market rent levels - ₱400 to ₱1,500/sqm per month</b> <b>Expected vacancy - 5% to 20%;</b> <b>Expected maintenance - 2% to 10% of gross revenue</b>	Discount rate – 11.26 % to 12.28%  Market rent levels - ₱400 to ₱1,500/sqm per month Expected vacancy - 5% to 45%; Expected maintenance - 2% to 10% of gross revenue

For DCF, the higher the market rent levels, the higher the fair value. Also, the lower the expected vacancy, maintenance and discount rate the higher the fair value.

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

<b>September 30, 2023</b>		
	<b>Increase (decrease)</b>	<b>Effect on FV</b>
Discount rate	0.1%	(₱125,569,818)
Discount rate	(0.1%)	127,937,628
Vacancy rate	1.0%	(59,019,162)
Vacancy rate	(1.0%)	59,019,162

For the nine-month periods ended September 30, 2023 and 2022, the Group recognized leasing revenue from the use of the said real properties amounting to ₱1,046.94 million and ₱962.78 million, respectively, and incurred direct cost of leasing amounting to ₱326.52 million and ₱278.07 million, respectively, in relation to these investment properties.



## 14. Property and Equipment

The composition and movements of this account are as follows:

September 30, 2023									
	Office Equipment	Computer Equipment	Furniture and Fixtures	Transportation Equipment	Leasehold Improvements	Construction Equipment	Building	Right-of-use Assets	Total
Cost									
At January 1	₱75,738,922	₱104,002,063	₱32,234,848	₱65,753,463	₱118,430,057	₱251,492,426	₱2,352,409,555	₱87,865,463	₱3,087,926,797
Additions	2,673,048	8,513,569	434,561	24,837,850	4,089,864	40,523,360	–	–	81,072,252
At December 31	78,411,970	112,515,632	32,669,409	90,591,313	122,519,921	292,015,786	2,352,409,555	87,865,463	3,168,999,049
Accumulated									
Depreciation									
At January 1	56,627,270	66,560,192	32,234,848	59,074,001	78,606,246	251,492,426	–	59,016,349	603,611,332
Depreciation	5,567,721	8,869,067	20,286	3,090,698	17,769,536	–	35,392,415	15,030,228	85,739,951
At December 31	62,194,991	75,429,259	32,255,134	62,164,699	96,375,782	251,492,426	35,392,415	74,046,577	689,351,283
Net Book Values at									
December 31	₱16,216,979	₱37,086,373	₱414,275	₱28,426,614	₱26,144,139	₱40,523,360	₱2,317,017,140	₱13,818,886	₱2,479,647,766

December 31, 2022										
	Office Equipment	Computer Equipment	Furniture and Fixtures	Transportation Equipment	Leasehold Improvements	Construction Equipment	Construction - in -Progress	Building	Right-of-use Assets	Total
Cost										
At January 1	₱64,143,594	₱82,755,061	₱32,234,848	₱64,588,284	₱80,459,530	₱251,492,426	₱1,707,342,137	₱–	₱87,865,463	₱2,370,881,343
Additions	11,595,328	21,247,002	–	1,165,179	37,970,527	–	88,247,097	–	–	160,225,133
Transfer from										
Investment	–	–	–	–	–	–	556,820,321	–	–	556,820,321
Property	–	–	–	–	–	–	(2,352,409,555)	2,352,409,555	–	–
Transfer to Building	–	–	–	–	–	–	–	–	–	–
At December 31	75,738,922	104,002,063	32,234,848	65,753,463	118,430,057	251,492,426	–	2,352,409,555	87,865,463	3,087,926,797
Accumulated										
Depreciation										
At January 1	54,970,429	54,126,355	31,778,592	57,800,457	71,753,066	251,492,426	–	–	33,123,849	555,045,174
Depreciation	1,656,841	12,433,837	456,256	1,273,544	6,853,180	–	–	–	25,892,500	48,566,158
At December 31	56,627,270	66,560,192	32,234,848	59,074,001	78,606,246	251,492,426	–	–	59,016,349	603,611,332
Net Book Values at										
December 31	₱19,111,652	₱37,441,871	₱–	₱6,679,462	₱39,823,811	₱–	₱–	₱2,352,409,555	₱28,849,114	₱2,484,315,465



There were no disposals during the nine-month period ended Sept. 30, 2023 and 2022.

Property and equipment include Building that pertains to Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences and The Pebble (four-storey waterfront clubhouse) of Acqua Private Residences amounted to ₱1,734.20 million and ₱582.82 million as of September 30, 2023, respectively, and ₱1,760.61 million and ₱591.80 million as of December 31, 2022, respectively.

Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences formally opened on December 15, 2022.

The depreciation and amortization from property and equipment recognized under general, administrative and selling expenses for the nine-month periods ended September 30, 2023 and 2022 amounted to ₱88.91 million and ₱46.26 million, respectively (see Note 24).

## 15. Other Assets

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current:		
Prepaid commissions	₱874,654,707	₱823,634,164
Input taxes	545,759,929	374,339,654
Creditable withholding taxes (CWTs)	471,074,639	360,268,502
Prepaid expenses	79,049,224	60,422,350
Others	31,750,881	23,378,298
	<b>₱2,002,289,380</b>	<b>₱1,642,042,968</b>
Noncurrent:		
Advances to landowners	₱259,024,174	₱259,024,174
Prepaid commissions	397,465,934	397,465,932
CWTs	243,821,376	243,553,449
Input taxes	105,433,805	55,864,797
Rental deposits	97,313,190	95,958,665
Intangible assets	46,057,109	42,342,033
Others	25,003,941	26,815,299
	<b>₱1,174,119,529</b>	<b>₱1,121,024,349</b>

Prepaid commissions pertain to capitalized commission expenses payable to its agents on the sale of its real estate projects related to contracts that have qualified for revenue recognition. These will be recognized as commission expense under “General, administrative and selling expenses” in the period in which the related real estate sales are recognized. This also includes prepayments to Century Integrated Sales, Inc. (CISI) for future services of CISI in relation to managing the Group’s sales activities, which amounted to ₱51.00 million and ₱123.31 million as of September 30, 2023 and December 31, 2022, respectively (see Note 18).

Input taxes are fully realizable and will be applied against output VAT.





Creditable withholding taxes are attributable to taxes withheld by third parties arising from real estate sale, property management fees and leasing revenues.

Intangible assets include software costs and trademarks. Software cost includes application software and intellectual property licenses owned by the Group. Trademarks are licenses acquired separately by the Group. These licenses arising from the Group's marketing activities have been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licenses acquired have been renewed and enabled the Group to determine that these assets have an indefinite useful life.

Advances to land owners pertains to the initial payment made by the Group, in accordance to its memorandum of agreement to acquire 56 hectares of property to developed a beachstyle lyfstle destination in the Municipality of Palawan. The total advances paid for the property amounted to ₱259.02 million as of September 30, 2023.

Prior to 2022, advances to landowners, also included advances made by the Group for the purchase of land which will be developed into a condominium project to be held for sale in the future amounting to ₱419.23 million. The title of the said land was also transferred to Group in 2022 and the related advances were applied as part of the payment for the purchase of land (see Notes 9 and 11).

Rental deposits mostly pertain to security deposits held and applied in relation to the Group's lease contracts for its administrative and sales offices. The deposits are noninterest-bearing and are recoverable through application of rentals at the end of the lease term.

## 16. Accounts and Other Payables

This account consists of:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Customers' advances	<b>₱2,750,436,212</b>	₱1,651,799,539
Accounts payable	<b>1,394,328,778</b>	1,932,462,937
Accrued expenses		
Commissions	<b>395,785,252</b>	450,024,271
Salaries	<b>269,830,941</b>	306,878,946
Interest	<b>24,436,935</b>	50,998,859
Others	<b>97,749,269</b>	95,121,839
Retention payable	<b>367,424,652</b>	307,624,517
Taxes	<b>206,242,484</b>	85,133,881
Dividends payable (Note 22)	<b>77,840,194</b>	52,980,641
Other payables	<b>43,902,096</b>	61,667,478
	<b>₱5,627,976,813</b>	₱4,994,692,908

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer. The movement of customers' advances is mainly due to advance payment of buyers less fees incurred for the turned over properties.



Others under “Accrued expenses” consist mainly of utilities, marketing costs, professional fees, communication, transportation and travel, security, insurance, taxes and representation.

## 17. Contract Liabilities

Contract liabilities consist of collections from real estate customers which have not qualified for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion. As of September 30, 2023 and December 31, 2022, carrying values of contract liabilities amounted to ₱3,281.83 million and ₱2,769.10 million, respectively.

## 18. 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 which include affiliates.

### Terms and Conditions of Transactions with Related Parties

The Group 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 and purchases which are made based on the terms agreed upon by the parties.

The effects of the related party transactions are shown under the following accounts in the unaudited interim condensed consolidated financial statements:

### Due from Related Parties

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Amount of transactions (September 30, 2023)	Amount of transactions (September 30, 2022)	Terms and Conditions
Ultimate Parent	₱307,477,574	₱270,437,913	₱37,039,661	₱37,450,000	
Officers and stockholders <b>Under common control</b>	218,929,753	223,177,152	(4,247,399)	34,413,430	Noninterest bearing, due and demandable, settlement occurred generally on cash, unsecured, no impairment
CISI	543,898,695	450,659,309	93,239,386	361,009,661	
Century Group International Corp. (CGIC)	77,093	77,093	–	51,068	
Century Retail IT, Inc. (CRIT)	10,821	10,821	–	(13,372)	
<b>Entity managed by a related party</b>					
CAC	30,847,016	30,960,415	(113,399)	–	
Centuria Pharma	–	–	–	(113,401)	
	<b>₱1,101,240,952</b>	<b>₱975,322,703</b>	<b>₱125,918,249</b>	<b>₱432,797,386</b>	

### Due to Related Parties

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Amount of transactions (September 30, 2023)	Amount of transactions (September 30, 2022)	Terms and Conditions
Ultimate Parent	₱234,795,327	₱237,284,750	(₱2,489,423)	(₱3,009,285)	
CGIC	456,360	456,360	–	–	Noninterest bearing, due and demandable, settlement occurred generally on cash, unsecured, no impairment
Officers and stockholders	154,676,104	120,319,516	34,356,588	21,314,438	
	<b>₱389,927,791</b>	<b>₱358,060,626</b>	<b>₱31,867,165</b>	<b>₱18,305,153</b>	



Significant transactions of the Group with related parties are described below:

Due from related parties pertains to advances provided by the Group to the stockholders and other affiliates.

Due to related parties pertains to advances received by the Group for its working capital.

*Management agreement*

The Group contracted CISI to manage all of its sales and marketing activities. CISI is a wholly-owned subsidiary of CPI.

Prepayments to CISI for initial marketing services recognized under “Other current assets” account amounted to ₱51.00 million and ₱123.31 million as of September 30, 2023 and December 31, 2022 (see Note 15).

*Key management compensation*

The key management personnel of the Group include all directors, executives and senior management. The details of compensation and benefits of key management personnel for the nine-month periods ended September 30, 2023 and 2022 follow:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Short-term employee benefits	₱82,036,231	₱70,867,511
Post-employment benefits	4,101,866	3,543,423
	<b>₱86,138,097</b>	<b>₱74,410,934</b>

*Terms and condition of transactions with related parties*

Outstanding balances at period-end are unsecured, interest free, collectible or payable on demand and settlement occurs generally in cash. As of September 30, 2023 and December 31, 2022, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial period by examining the financial position of the related party and the market in which the related party operates.

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**19. Short-term and Long-term Debt**

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Short-term debts:		
Short-term loan	₱487,000,000	₱-
Trust receipts	92,012,745	235,141,310
	<b>₱579,012,745</b>	<b>₱235,141,310</b>



	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Long-term debt:		
Bank loans	₱7,814,046,565	₱9,012,998,322
Payable under CTS financing	1,435,523,605	1,992,662,424
Car loan financing	14,454	654,796
	<b>9,249,584,624</b>	11,006,315,542
Less current portion	<b>3,979,919,509</b>	2,192,453,618
Noncurrent portion	<b>₱5,269,665,115</b>	₱8,813,861,924

### Short-term Debts

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Trust receipts	Bank loans	Total	Trust receipts	Bank loans	Total
Beginning balance	₱235,141,310	₱-	₱235,141,310	₱468,360,083	₱-	₱468,360,083
Availments	184,803,558	487,000,000	671,803,558	658,904,094	-	658,904,094
Repayments	(327,932,123)	-	(327,932,123)	(892,122,867)	-	(892,122,867)
Ending balance	<b>₱92,012,745</b>	<b>₱487,000,000</b>	<b>₱579,012,745</b>	₱235,141,310	₱-	₱235,141,310

#### *Trust receipts*

Trust receipts (TRs) are facilities obtained from various banks to finance purchases of construction materials for the Group's projects. The TRs have average interest rates ranging from 6.25% to 8% and 5.75% to 6.25% in 2023 and 2022, respectively. These are paid monthly or quarterly in arrears with full payment of principal balance at maturity of one year and with an option to prepay. Total availments of trust receipts for the nine-month periods ended September 30, 2023 and 2022, amounted to ₱184.80 million and ₱561.00 million, respectively.

#### *Bank Loans*

Bank loans pertain to the following various short-term promissory note (PN) obtained by the Group:

- From June to September 2023, the Group availed short-term PNs from Phillippine National Bank (PNB) totaling to ₱342.00 million with interest rates ranging from 6.70% to 7.15% with various maturity dates during 2024.
- In 2023, the Group availed a short-tem PN facility with Philtrust Bank with total amount of ₱130.00 million with an interest rate of 8.00% per anum, which is payable monthly until full payment or renewal annually.
- In 2023, the Group availed of a short-tem PN facility with Philtrust Bank with total amount of ₱15.00 million with an interest rate of 7.50% per annum, which is payable monthly until full payment or renewal annually.



### Long-term Debts

The roll-forward of the Group's long-term debt is as follows:

	September 30, 2023			
	Bank Loans	CTS Financing	Car Loan Financing	Total
<b>Principal:</b>				
Balances at beginning of period	₱9,073,938,425	₱1,992,662,425	₱654,796	₱11,067,255,646
Addition	300,000,000	503,845,172	-	803,845,172
Payments	(1,508,012,919)	(1,060,983,992)	(640,342)	(2,569,637,253)
<b>Balances at end of period</b>	<b>7,865,925,506</b>	<b>1,435,523,605</b>	<b>14,454</b>	<b>9,301,463,565</b>
<b>Deferred financing costs:</b>				
Balances at beginning of period	60,940,103	-	-	60,940,103
Amortization	(9,061,162)	-	-	(9,061,162)
<b>Balances at end of period</b>	<b>51,878,941</b>	<b>-</b>	<b>-</b>	<b>51,878,941</b>
<b>Carrying values</b>	<b>₱7,814,046,565</b>	<b>₱1,435,523,605</b>	<b>₱14,454</b>	<b>₱9,249,584,624</b>

	December 31, 2022			
	Bank Loans	CTS Financing	Car Loan Financing	Total
<b>Principal:</b>				
Balances at beginning of year	₱9,031,728,633	₱2,891,444,012	₱3,501,544	₱11,926,674,189
Addition	5,298,744,131	818,702,217	-	6,117,446,348
Payments	(5,256,534,339)	(1,717,483,805)	(2,846,748)	(6,976,864,892)
<b>Balances at end of year</b>	<b>9,073,938,425</b>	<b>1,992,662,424</b>	<b>654,796</b>	<b>11,067,255,645</b>
<b>Deferred financing costs:</b>				
Balances at beginning of year	88,066,839	-	-	88,066,839
Addition	46,897,795	-	-	46,897,795
Amortization	(74,024,531)	-	-	(74,024,531)
<b>Balances at end of year</b>	<b>60,940,103</b>	<b>-</b>	<b>-</b>	<b>60,940,103</b>
<b>Carrying values</b>	<b>₱9,012,998,322</b>	<b>₱1,992,662,424</b>	<b>₱654,796</b>	<b>₱11,006,315,542</b>

### *Bank Loans*

In 2023, the Group availed a four-year term loan from Development Bank of the Philippines (DPB) with a total amount of ₱300.00 million with an interest rate ranging from 7.36% to 9.09% per annum, which is payable on a quarterly basis.

In August 2022, the Group availed a five-year loan agreement from PNB amounting to ₱4,000.00 million, ₱3,500.00 million of which was drawn on August 2022 with an interest of 6.56% fixed for 2 years with an option to reprice over 90 days as agreed by the parties. While the ₱500.00 million balance was drawn on October 2022 with an interest of 7.39% fixed for 2 years with an option to reprice over 90 days as agreed by the parties. As of September 30, 2023 and December 31, 2022, the outstanding balance of the loan amounted to ₱3,922.50 million and ₱3,982.50 million, respectively.

In January and March 2022, the Company availed of another four-year loan agreement amounting to ₱94 million and ₱211.81 million, respectively, with another local bank with the same purpose, which is, to finance land development and house construction of its project. The loan bears interest of 5.71% and 6.62% per annum, which is payable on a monthly basis. First interest payments were made in February 2022 and April 2022, respectively. The principal is payable on a quarterly basis to commence at the start of 5th quarter. As of September 30, 2023 and December 31, 2022, the outstanding balance of the loan amounted to nil and ₱236.71 million, respectively.



In May 2021, the Group entered into a four-year loan agreement amounting to ₱450.00 million with a local bank to finance land development and house construction of its project. The loan bears interest of 4.65% per annum and payable on a quarterly basis amortization. First interest payment will be made on August 17, 2021. The principal is payable on a quarterly basis after a two-year grace period. As of September 30, 2023 and December 31, 2022, the outstanding balance of the loan amounted to ₱239.29 million and ₱274.94 million, respectively.

In July 2021, the Group availed another four-year loan agreement amounting to ₱470.00 million with BPI to finance land development and house construction of its project. The loan bears interest of 5.25% per annum and payable on a monthly basis amortization. First interest payment will be made on August 2021. The principal is payable on a quarterly basis to commence at the start of October 2022. As of September 30, 2023 and December 31, 2022, the outstanding balance of the loan amounted to ₱23.08 million and ₱293.33 million.

In December 2022, the Company availed of another four-year loan agreement amounting to ₱500.00 with another local bank with the same purpose, which is, to finance land development and house construction of its project. The loan bears interest of 8.50% per annum and payable on a quarterly basis. First interest payment was made on March 16, 2023. The principal is payable on a quarterly basis to commence at the start of 9th quarter. As of September 30, 2023 and December 31, 2022, the outstanding balance of the loan amounted to ₱463.33 million and ₱500.00 million, respectively.

On July 10, 2020, the Group availed of a five-year term loan facility from China Banking Corporation (CBC) amounting to ₱1,600.00 million, with principal payments due quarterly with an interest of 5.13% per annum. In 2022, the Group paid the outstanding balance amounting to ₱1,408.00 million.

On August 24 and September 2, 2020, the Group 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. In 2022, the Group paid the outstanding balance amounting to ₱2,208.65 million.

In 2019, the Group availed the remaining undrawn balance of its loan facility from Amalgamated Investment Bancorporation (AIB) amounting to ₱148.90 million, which is payable in two years with interest of 8.50% per annum and availed another bank loan with AIB amounting to ₱100.00 million with interest of 7.97% per annum. The total principal amount of this loan amounting to ₱592.94 million was paid in May and October 2022.

On September 27, 2022, the Group availed an additional loan from its AIB loan facility amounting to ₱492.94 million, payable quarterly with interest of 8.00% per annum. As of September 30, 2023 and December 31, 2022, the outstanding balance of this loan amounted to nil and ₱392.94 million, respectively.

In 2019, the Group obtained a five-year term loan from UCPB amounting to ₱1,000.00 million, which is payable quarterly with interest of 8.42% per annum.



As of September 30, 2023 and December 31, 2022, the outstanding balance of this loan amounted to ₱380.23 million and ₱541.02 million, respectively.

On October 28, 2019, the Group renewed a portion of its five-year term loan from BDO amounting to ₱700.00 million with a fixed interest of 6.07% fixed for 92 days with an option to reprice over 30-180 days as agreed by the parties. As of September 30, 2023 and December 31, 2022, the outstanding balance of the Group's loan on term loan amounted to ₱2,537.50 million and ₱2,852.5 million, respectively.

#### *CTS financing*

CTS financing pertains to loan facilities which were used in the construction of the Group's real estate development projects. The related PNs have terms ranging from twelve (12) to forty-eight (48) months and are secured by the buyer's post-dated checks, the corresponding CTS, and parcels of land held by the Parent Company. The Group retained the assigned ICRs and recorded the proceeds from these assignments as "Long-term debt". These CTS loans bear fixed interest rates ranging from 5.88% to 8.50% as September 30, 2023 and December 31, 2022, respectively. The Group availed additional loan from their facility amounting to ₱503.85 million and ₱818.70 million for the periods ended September 30, 2023 and December 31, 2022, respectively.

#### Security and Debt Covenants

Certain bilateral, trust receipts, payables under CTS financing and bank loans have mortgaged real estate inventories and assigned ICRs and contract assets wherein such assets can no longer be allowed to be separately used as collateral for another credit facility, grant loans to directors, officers and partners, and act as guarantor or surety in favor of banks. As of September 30, 2023 and December 31, 2022, the carrying values of these assets mortgaged for trust receipts, payables under CTS financing and bank loans are as follows:

	<b>September 30, 2023</b>	December 31, 2022
	<b>(Unaudited)</b>	(Audited)
Real estate inventories	<b>₱985,547,659</b>	₱1,281,943,917
ICR	<b>985,547,659</b>	1,303,147,610
Investment properties	<b>8,415,779,604</b>	8,415,779,604

Certain bilateral loans have covenants to maintain a debt-to-equity ratio of not more than 2.33x and a debt service coverage ratio of at least 1.5x and current ratio of 1.2x. Debt includes note payables, short term and long-term debt. The bank loans have a covenant, specific to the projects it is financing, of having loan to security value of no more than 50% to 60%. Security value includes, among other things, valuation appraisal by independent appraisers and takes into account the sold and unsold sales and market value of the properties. The loan agreements require submission of the valuation of each mortgage properties on an annual basis or upon request of the facility agent. As of September 30, 2023 and December 31, 2022, the Company complied with the provisions of its debt covenants.



Borrowing Costs

Borrowing cost capitalized amounted to ₱121.05 million and ₱214.15 million for the nine-month period ended September 30, 2023 and for the year ended December 31, 2022, respectively (see Notes 9 and 13).

Interest Expense and Other Finance Charges

Interest and other financing charges for the short-term and long-term debts for the nine-month periods ended September 30, 2023 and 2022 totaled to ₱529.34 million and ₱326.11 million, respectively (see Note 26).

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**20. Bonds Payable**

This account consists of the following:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Principal		
Balances at the beginning of year	₱6,000,000,000	₱6,000,000,000
Addition	3,000,000,000	3,000,000,000
Repayment	–	(3,000,000,000)
	<b>9,000,000,000</b>	6,000,000,000
Deferred financing cost:		
Balances at the beginning of year	82,746,077	52,804,571
Addition	82,114,920	69,907,011
Amortization	(31,643,824)	(39,965,505)
Balances at the end of period	<b>133,217,173</b>	82,746,077
Carrying value	<b>8,866,782,827</b>	5,917,253,923
Less: Current portion	<b>2,992,849,505</b>	–
Non-current portion	<b>₱5,873,933,322</b>	₱5,917,253,923

On March 3, 2023, the Certificate of Permit to Offer Securities for Sale was approved by the Securities and Exchange Commission relative to the Parent Company's Second Tranche Offer of Fixed Rate Retail Bonds consisting of up to Two Billion Pesos (₱2,000,000,000) with an Over-subscription Option of up to One Billion Pesos (₱1,000,000,000), 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) Debt Securities Program Shelf Registration. This bond was listed at the PDEx on March 17, 2023. The bonds are rated "AA+" by Credit Rating and Investor Services Philippines Inc. (CRISP). Total debt issue costs amounted to ₱82.11 million and were capitalized as debt issue costs to be amortized over the life of the 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 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 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). In 2022, the said three-year bonds amounting to ₱3.00 billion were paid in full.

#### Interest Expense and Other Finance Charges

Interest and other financing charges for the bonds payable for the nine-month periods ended September 30, 2023 and 2022 totaled to ₱350.67 million and ₱344.29 million, respectively (see Note 26).

#### Security and Debt Covenants

Covenants related to bonds payable include maintenance of current ratio of at least 1.5x, debt-to-equity ratio of not more than 2.0x and debt service coverage ratio of at least 1.2x. As of September 30, 2023 and December 30, 2022, the Group has complied with the provisions of its bond covenants.

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## 21. Liability from Purchased Land

This account pertains to the outstanding payable of the Group for the cost of land purchases recognized under "Real estate inventories" as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current	₱67,200,000	₱67,200,000
Noncurrent	451,595	63,782,533



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## 22. Dividend Declaration

On June 29, 2023, the BOD approved the declaration of ₱0.006055 per share cash amounting to ₱140.48 million for the common stock for distribution to the stockholders of the Parent Company of record July 28, 2023 and September 29, 2023. On August 11, 2023, dividends amounting to ₱65.23 million were paid, the remaining balance were paid in October 2023.

On March 8, 2023, 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 5, 2023 with payment date on July 10, 2023. On July 10, 2023, all dividend declared were paid.

On March 8, 2023, 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 3, 2023 with payment date on April 11, 2023. On April 11, 2023, all dividend declared were paid.

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 October 10, 2022, all dividends declared were paid.

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 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, 2022, the dividends declared were already paid.

Total unpaid dividends amounted to ₱77.84 million and ₱52.98 million as of September 30, 2023 and December 31, 2022, respectively.



## 23. Equity

### *Basic earnings per share*

Basic earnings per share amounts attributable to equity holders of the Parent Company for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Net income attributable to the owners of the Parent Company	<b>₱847,249,019</b>	₱777,257,658
Less: Dividends declared to preferred shares	<b>100,765,499</b>	151,148,249
	<b>746,483,520</b>	626,109,409
Weighted average number of shares	<b>11,599,600,690</b>	11,599,600,690
Basic/diluted earnings per share	<b>₱0.064</b>	₱0.054

Basic earnings per share are calculated using the net income attributable to the equity holders of the Parent Company less dividend declared to preferred shares divided by the weighted average number of shares. No dilutive potential ordinary shares are outstanding as of September 30, 2023 and 2022.

### *Common shares*

The Group's authorized capital stock and issued and subscribed shares amounted to 15,000,000,000 shares and 11,699,723,690 shares, respectively as of September 30, 2023 and December 31, 2022. There are no movements in the Group's authorized, issued and subscribed shares in 2023 and 2022.

The following summarizes the Group'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 shares, issued, paid and outstanding. The offer price of the shares was at ₱1.00 per share.

On November 11, 2014, the Philippine Stock Exchange, Inc. approved the application of the Company to list additional 730.32 common shares, with a par value of ₱0.53 per share, to cover the 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 Group'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 Shares 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 IX of the amended articles of incorporation of the Parent Company. The amendment was approved by SEC in January 2020.



As of September 30, 2023 and December 31, 2022, the Parent Company had 496 and 496 stockholders, respectively, 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.

#### *Issuance of preferred shares*

On January 10, 2020, the Group listed at the main board of the PSE its maiden follow-on offering of preferred shares under the trading symbol “CPGP”. These preferred shares are cumulative, non-voting, non-participating and redeemable at the option of the Group. The Group offered 20 million preferred shares at ₱100.00 each with an oversubscription option of up to 10 million preferred shares 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, SEC also issued 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 shares 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.

On July 10, 2023, the Parent Company fully redeemed its ₱3 Billion Cumulative, Non-Voting, Non-Convertible, Non-Participating, Redeemable Peso-denominated Preferred Shares (“Preferred Shares” or “CPGP”). The redemption price was the issue price of P100.00 per share, plus any accumulated unpaid cash dividends. The redemption of shares is treated as treasury shares recorded at cost.

#### *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 million shares and 14.44 million shares were reacquired at a total cost of ₱87.15 million and ₱22.52 million, respectively.

As of September 30, 2023, treasury shares amounted to ₱3,109.67 million consisting of 109.67 million common shares and 30.00 million preferred shares. As of December 31, 2022, treasury shares amounted to ₱109.67 million consisting of 109.67 million common shares.

#### *Retained earnings*

Retained earnings, which include the accumulated equity in undistributed consolidated net earnings of the subsidiaries, amounted to ₱11,120.11 million and ₱10,514.10 million as of September 30, 2023 and December 31, 2022, respectively.

The subsidiaries retained earnings available for dividend declaration, after reconciling items, amounted to ₱6,961.61 million and ₱6,353.19 million as of September 30, 2023 and December 31, 2022, respectively. Reconciling items include non-cash income from



accumulated gains from fair value of investment property amounting to ₱4,071.17 million and ₱4,051.24 million, as of September 30, 2023 and December 31, 2022, respectively.

*Non-controlling interest*

On May 30, 2023, Tanza Properties I, Inc (TP1) approved the declaration of ₱177.66 per share cash dividends amounting to ₱78.00 million. This resulted to a decrease in non-controlling interest amounting to ₱31.20 million. The dividends were paid on May 31, 2023.

On May 30, 2023, Tanza Properties II, Inc (TP2) approved the declaration of ₱68.57 per share cash dividends amounting to ₱24.00 million. This resulted to a decrease in non-controlling interest amounting to ₱9.60 million. The dividends were paid on May 31, 2023.

On May 30, 2023, Tanza Properties III, Inc (TP3) approved the declaration of ₱535.00 per share cash dividends amounting to ₱160.50 million. This resulted to a decrease in non-controlling interest amounting to ₱64.20 million. The dividends were paid on May 31, 2023.

On May 30, 2023, PHirst Park Homes, Inc (PPHI) approved the declaration of ₱0.37 per share cash dividends amounting to ₱987.50 million. This resulted to a decrease in non-controlling interest amounting to ₱395.00 million. The dividends were paid on May 31, 2023.

On December 15, 2022, CALC recognized the equity portion of its deposit for preferred shares subscription. This resulted to an increase in non-controlling interest amounting to ₱54.18 million.

On June 29, 2022, Tanza Properties I, Inc (TP1) approved the declaration of ₱159.44 per share cash dividends amounting to ₱70.00 million. This resulted to a decrease in non-controlling interest amounting to ₱28.00 million. The dividends were paid on June 30, 2022.

On June 29, 2022, Tanza Properties I, Inc (TP2) approved the declaration of ₱657.14 per share cash dividends amounting to ₱230.00 million. This resulted to a decrease in non-controlling interest amounting to ₱92.00 million. The dividends were paid on June 30, 2022.

On June 29, 2022, Tanza Properties I, Inc (TP3) approved the declaration of ₱666.67 per share cash dividends amounting to ₱200.00 million. This resulted to a decrease in non-controlling interest amounting to ₱80.00 million. The dividends were paid on June 30, 2022.

In 2022, PPHI issued additional ₱384 million common shares with a par value of ₱1.00 per share and 96,000 preferred shares with a par value of ₱1,000.00 per share to CPGI. At the same time, PPHI also issued 258 million common shares with a par value of ₱1.00 per share and 64,000 preferred shares with a par value per share of ₱1,000.00 to Mitsubishi Corporation (MC). This resulted into an aggregate increase in the non-controlling interest amounting to ₱320.00 million.

As disclosed in Note 1, the Group completed its transaction of the non-controlling interest (NCI) of PPHI, TP1, TP2 and TP3 in November 2023. The transaction will be treated as an acquisition of additional interest without loss of control with the difference between the NCI and the fair value of the consideration at acquisition date to be taken to equity.



*Other components of equity*

Other components of equity mainly pertain to the equity reserve recognized between the consideration paid by MC and the carrying value of the net assets of TPI I, TPI II, TPI III and Century City Development Corp II (CCDC II) given up amounting to ₱104.49 million as of December 31, 2020. In 2020, CPGI acquired the total outstanding shares held by MC in one of its subsidiaries, CCDC II. The difference between the acquisition price and the value of the NCI as of August 24, 2020 amounting to ₱782.24 million was charged against the Group's equity reserve. The remeasurement loss on equity instruments at FVOCI amounting to ₱5.45 million as of September 30, 2023 and December 31, 2022, respectively, was also charged against the Group equity reserve.



The financial information of subsidiaries that have material non-controlling interests is provided below. The information below is based on amounts after intercompany eliminations.

Summarized statements of financial position (in millions):

	TPI I		TPI II		TPI III		PPHI	
	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current assets	<b>₱380.96</b>	₱457.27	<b>₱434.74</b>	₱469.61	<b>₱557.89</b>	₱595.92	<b>₱10,994.30</b>	₱11,035.03
Noncurrent assets	<b>0.00</b>	0.41	–	0.30	<b>0.16</b>	0.64	<b>119.54</b>	139.38
Current liabilities	<b>(164.94)</b>	(150.98)	<b>(356.71)</b>	(307.75)	<b>(436.93)</b>	(325.37)	<b>(5,272.99)</b>	(4,568.41)
Noncurrent liabilities	<b>(10.13)</b>	(29.59)	<b>(41.58)</b>	(91.39)	<b>(35.58)</b>	(74.43)	<b>(1,133.17)</b>	(1,756.01)
Total equity	<b>₱205.89</b>	₱277.11	<b>₱36.45</b>	₱70.77	<b>₱85.54</b>	₱196.76	<b>₱4,707.68</b>	₱4,849.99
Attributable to:								
Equity holders of the Parent Company	<b>₱119.43</b>	₱162.17	<b>₱21.42</b>	₱42.02	<b>₱52.68</b>	₱119.41	<b>₱2,626.94</b>	₱2,817.41
Non-controlling interest	<b>86.46</b>	114.95	<b>15.03</b>	28.76	<b>32.86</b>	77.35	<b>2,080.74</b>	2,032.58
Total equity	<b>₱205.89</b>	₱277.12	<b>₱36.45</b>	₱70.78	<b>₱85.54</b>	₱196.76	<b>₱4,707.68</b>	₱4,849.99

Summarized statements of comprehensive income (in millions):

	TPI I		TPI II		TPI III		PPHI	
	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Revenue	<b>₱17.02</b>	₱–	<b>₱38.00</b>	₱78.30	<b>₱216.96</b>	₱396.46	<b>₱4,394.11</b>	₱5,159.94
Cost of real estate sales and services	<b>3.73</b>	–	<b>(23.65)</b>	(56.89)	<b>(105.29)</b>	(133.45)	<b>(2,205.69)</b>	(2,722.76)
General and administrative expenses	<b>(14.66)</b>	(36.65)	<b>(15.46)</b>	(36.49)	<b>(39.02)</b>	(53.83)	<b>(1,151.65)</b>	(1,143.77)
Operating income (loss)	<b>6.09</b>	(36.65)	<b>(1.11)</b>	(15.08)	<b>72.65</b>	209.18	<b>1,036.77</b>	1,293.42
Other income (charges)	<b>3.91</b>	4.77	<b>2.54</b>	24.95	<b>2.84</b>	24.00	<b>263.15</b>	55.62
Provision for income tax	<b>(3.22)</b>	(5.24)	<b>(11.76)</b>	(15.84)	<b>(26.21)</b>	(9.46)	<b>(203.31)</b>	(137.19)
Other Comprehensive Income	–	–	–	–	–	–	–	4.52
Total comprehensive income	<b>₱6.78</b>	(₱37.12)	<b>(₱10.33)</b>	(₱5.97)	<b>₱49.28</b>	₱223.72	<b>₱1,096.61</b>	₱1,216.37

	TPI I		TPI II		TPI III		PPHI	
	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Total comprehensive income attributable to:								
Equity holders of the Parent Company	<b>₱4.07</b>	(₱22.27)	<b>(₱6.20)</b>	(₱3.58)	<b>₱29.57</b>	₱134.23	<b>₱657.96</b>	₱729.82
Non-controlling interests	<b>2.71</b>	(14.85)	<b>(4.13)</b>	(2.39)	<b>19.71</b>	89.48	<b>438.65</b>	486.55
	<b>₱6.78</b>	(₱37.12)	<b>(₱10.33)</b>	(₱5.97)	<b>₱49.28</b>	₱223.71	<b>₱1,096.61</b>	₱1,216.37



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## 24. General, Administrative and Selling Expenses

This account consists of:

	September 30, 2023	September 30, 2022
Commission	₱694,020,750	₱608,800,372
Salaries, wages and employee benefits	575,065,325	411,976,189
Marketing and promotions	434,734,119	316,912,555
Taxes and licenses	185,326,996	189,036,553
Depreciation and amortization (Note 14)	88,914,010	46,258,200
Outside services	85,935,041	66,564,492
Entertainment, amusement and recreation	74,894,111	81,323,645
Professional fees	61,217,856	50,159,137
Utilities	26,298,583	10,403,779
Repairs and maintenances	25,636,201	35,579,833
Supplies	24,251,230	29,041,615
Transportation and travel	16,033,065	14,828,845
Communication	11,772,969	10,744,500
Rent	8,041,606	59,884,833
Miscellaneous	84,036,579	85,492,420
	<b>₱2,396,178,441</b>	<b>₱2,017,006,968</b>

Miscellaneous pertains mainly supplies, business and research development, insurance and association dues and other fees for unsold units or units that are yet to be turned over.

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## 25. Interest and Other Income

This account consists of:

	September 30, 2023	September 30, 2022
Income from forfeited collections	₱33,142,271	₱174,203,609
Interest income from cash and cash equivalents and short-term investments (Notes 6 and 7)	117,607,039	49,719,928
Interest income from in-house financing	75,055,990	56,228,212
Other income	403,597,803	66,423,615
	<b>₱629,403,103</b>	<b>₱346,575,364</b>

Other income mainly consists of the penalties and other surcharges billed against defaulted installments from sales contracts. Real estate buyers are normally charged a penalty of 3.00% of the monthly installment for every month in arrears from the time the specific installment becomes due and payable.





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## 26. Interest and Other Financing Charges

Details of this account follow (see Notes 19, 20 and 29):

	<b>September 30, 2023</b>	September 30, 2022
Interest expense	<b>₱890,121,045</b>	₱581,023,635
Other financing charges	<b>79,784,197</b>	90,661,619
	<b>₱969,905,242</b>	₱671,685,254

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## 27. Retirement 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 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.

The plan assets as of September 30, 2023 and December 31, 2022 pertain solely to bank deposits. The Group does not expect to contribute to its retirement fund in 2023.

The Group recognized total retirement expense amounting to ₱20.77 million and ₱9.06 million for the nine-month period ended September 30, 2023 and 2022, respectively. Retirement expense is included in "Salaries, wages and employee benefits" under Operating expenses in the consolidated statements of comprehensive income.

Outstanding pension liabilities amounted ₱251.67 million and ₱231.19 million as of September 30, 2023 and December 31, 2022, respectively.

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## 28. Income Taxes

The provision for income tax consists of:

	<b>September 30, 2023</b>	September 30, 2022
Current:		
RCIT/MCIT	<b>₱328,486,659</b>	₱275,549,970
Final	<b>10,791,492</b>	8,464,632
	<b>339,278,151</b>	284,014,602
Deferred	<b>4,338,487</b>	(134,238,385)
	<b>₱343,616,638</b>	₱149,776,217

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The components of the Group's deferred tax assets and deferred tax liabilities are as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<i>Recognized in the interim unaudited condensed consolidated statements of comprehensive income:</i>		
Deferred tax assets on:		
NOLCO	P12,399,490	P1,002,337
Accrued retirement costs	57,283,723	55,370,591
MCIT	8,087,757	-
Advance rentals	15,897,510	7,209,604
Provisions for impairment losses	2,426,026	2,426,026
Interest on liabilities to preference shareholders	20,851,150	-
	<b>116,945,656</b>	<b>66,008,558</b>
Deferred tax liabilities on:		
Effect of difference in accounting and tax base on real estate sales (see Note 2)	(874,360,714)	(911,958,879)
Fair value gains on investment properties	(1,010,535,441)	(1,012,809,680)
Prepaid commissions	(302,067,123)	(305,275,024)
Effect of difference in accounting and tax base on investment properties	(389,490,681)	(293,180,478)
Unamortized deferred financing costs	(46,274,027)	(35,921,545)
Others	(180,512)	(8,482,013)
	<b>(2,622,908,498)</b>	<b>(2,567,627,619)</b>
<i>Recognized directly in equity:</i>		
Deferred tax asset on re-measurement loss on retirement obligation	(7,662,309)	(7,321,339)
	<b>(2,513,625,151)</b>	<b>(P2,508,940,400)</b>

The above deferred tax assets and liabilities are presented in the consolidated statements of financial position as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Deferred tax assets	P43,870,819	P33,204,518
Deferred tax liabilities	2,557,495,970	2,542,144,918

## 29. Lease Liability

The Group has lease contracts for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on prevailing market conditions.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The Group made lease payments to the related leases amounted to P10.67 million and P34.24 million and recognized interest accretion amounted P6.50 million and P4.83 million for the nine-month period ended September 30, 2023 and year ended December 31, 2022, respectively.



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**30. Other Current and Noncurrent Liabilities**

Liability on CALC's Preferred Shares

On June 17, 2015, CALC's preferred shares divided into Class A, Class B, Class C and Class D have been registered with SEC for public offering.

The preferred shares have the following features, rights, privileges and obligations which can be availed by the preferred shareholders upon full payment:

- a. All classes of the preferred shares are non-voting.
- b. Preferred shareholders are entitled to use and occupy, for twenty-eight (28) nights per year (the "Annual Usage Entitlement"), the rooms to be owned by the Group in the planned Acqua 6 Tower of the Acqua Private Residences (upon its completion and only when such rooms are ready for occupancy), with the room class based on the class of preferred shares owned. Annual Usage Entitlements are non-cumulative.

The corresponding room class of each class of shares are as follows:

<u>Class of Preferred Shares</u>	<u>Corresponding Room Class</u>
Preferred A shares	Studio Room
Preferred B shares	One Bedroom Deluxe Room
Preferred C shares	One Bedroom Superior Room
Preferred D shares	One Bedroom Premier Room

- c. The preferred shareholders shall be entitled to a share in Net Room Rental Revenue at the rate of 40% for all of the 152 rooms to be owned by the Group. The share of a preferred shareholder in the Net Room Rental Revenue shall be payable annually. The share of a preferred shareholder in the Net Room Rental Revenue shall be calculated based on the attributable square meters ("SQM") corresponding to the class of preferred shares held by such preferred shareholder for every 13 preferred shares held.
- d. Net Room Rental Revenue means total revenue from rentals of all rooms less total room cost of sales. The corresponding attributable SQM of each class of shares are as follows:

<u>Class of Preferred Shares</u>	<u>Corresponding Attributable SQM</u>
Preferred A shares	8.00
Preferred B shares	11.75
Preferred C shares	19.00
Preferred D shares	21.75

- e. The preferred shareholders shall no longer participate in any dividend declaration of the Group.

The preferred shareholders shall regularly and diligently pay the fees, contributions, charges and other dues, including but not limited to the Annual Management Fee, Annual Operating Budget, Furniture, Fittings and Equipment Reserve, pertaining to the maintenance and use of the rooms to be owned by the Group.



Upon full payment and availability of the rooms and when the rights and benefits vest upon completion of the Project, these deposits will be reclassified to preferred shares and will be split between the equity and liability components.

Movements of issuances and cancellation of shares per Preferred Class are summarized in the table below.

Class of shares	Number of Shares				Total
	Preferred A shares	Preferred B shares	Preferred C shares	Preferred D shares	
Authorized shares	6,344	520	520	520	
Par value in ₱	10	100	1,000	10,000	
Issued and outstanding shares at December 31, 2015	1,430	234	–	234	1,898
Issuances during 2016	286	52	–	–	338
Cancellation of shares	–	–	–	(221)	(221)
Issued and outstanding shares at December 31, 2016	1,716	286	–	13	2,015
Issuances during 2017	4,498	200	91	26	4,815
Cancellation of shares	–	–	–	–	–
Issued and outstanding shares at December 31, 2017	6,214	486	91	39	6,830
Issuances during 2018	–	8	416	169	593
Cancellation of shares	(26)	–	–	–	(26)
Issued and outstanding shares at December 31, 2018	6,188	494	507	208	7,397
Issuances during 2019	–	–	–	–	–
Cancellation of shares	–	–	–	–	–
Issued and outstanding shares at December 31, 2019	6,188	494	507	208	7,397
Issuances during 2020	–	–	13	39	52
Cancellation of shares	(39)	(13)	–	–	(52)
Issued and outstanding shares at December 31, 2020	6,149	481	520	247	7,397
Issuances during 2021	–	–	–	–	–
Cancellation of shares	(520)	(52)	(39)	(104)	(715)
Number of shares at December 31, 2021	5,629	429	481	143	6,682
Issuances during 2022	–	–	–	–	–
Cancellation of shares	(169)	(39)	(39)	–	(247)
Number of shares at December 31, 2022	5,460	390	442	143	6,435
Cancellation of Shares	(234)	(13)	(39)	–	(286)
Issued and outstanding shares at September 30, 2023	5,226	377	403	143	6,149

Prior to the start of the operation, deposits received by CALC from buyers of its preferred shares are presented as deposit for preferred shares subscription under liabilities.

On December 15, 2022, the project was already completed, and Novotel Suites formally began its operations. Thus, the Group utilized a discounted cash flow model and used certain assumptions (including discount rate, annual average occupancy rate, performance growth rates, and a terminal value) to determine the value of the financial liability and equity component of the preferred shares. The model used (a) a pre-tax discount rate of 11.00% in 2022 and (b) a growth rate of 5.00% applied beyond the 10th year projections in 2022, among others. The Group benchmarked these assumptions against historical observations in internal businesses with similar performance drivers, as well as industry outlook. Based on the calculation performed, the Group reclassified the equity portion amounting to ₱54.18 million to preferred shares and the liability portion amounting to ₱951.93 million presented in the financial statements under “Other noncurrent liabilities”.



The Group recognized accretion of interest from the liability portion of preferred shares amounting to ₱83.40 million for the nine-month periods ended September 30, 2023.

Total deposits for preferred shares subscriptions received presented under the financial statement caption “Other noncurrent liabilities” amounted to ₱1,036.44 million and ₱951.92 million as of September 30, 2023 and December 31, 2022, respectively.

As of September 30, 2023 and December 31, 2022, 4,914 shares and 4,914 shares have been fully paid, respectively.

#### Advance Deposits and Refundable Deposits

Refundable deposits pertain to utilities and meter deposits, and security deposits collected from tenants which are refundable at the end of the lease contracts. The Group received refundable deposits and security deposits classified as “Other current liabilities” amounting to ₱61.66 and ₱61.34 million and “Other noncurrent liabilities” amounting to ₱569.23 million and ₱769.13 million as of September 30, 2023 and December 31, 2022, respectively.

#### Deferred Lease Income

Deferred lease income is amortized over the lease term on a straight-line basis and which amortization is recorded as part of “Leasing revenue” in the statements of comprehensive income. The carrying value of the deferred lease income presented under financial statement caption “Other current liabilities” amounted to ₱14.02 million and ₱6.81 million and “Other noncurrent liabilities” amounted to ₱93.02 million and ₱68.15 million as of September 30, 2023 and December 31, 2022, respectively.

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### **31. Performance Obligation and Disaggregation of Revenue**

Information about the Group’s performance obligations are summarized below:

#### *Real estate sales*

The Group entered into contracts to sell with one identified performance obligation, which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover the contracts for condominium and residential house unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payments, which are considered in revenue recognition, commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10%-20% of the contract price spread over a five-year period at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each



of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at September 30, 2023 and December 31, 2022 are as follows:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	December 31, 2022 <b>(Audited)</b>
Within one year	<b>₱8,332,201,610</b>	₱7,029,550,189
More than one year	<b>1,007,398,598</b>	298,170,841
	<b>₱9,339,600,208</b>	<b>₱7,327,721,030</b>

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects.

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time. The Group's disaggregations of each source of revenue from contracts with customers are presented below:

Project	Location	<b>September 30, 2023</b> <b>(Unaudited)</b>	September 30, 2022 <b>(Unaudited)</b>
PHirst Park Homes	Cavite, Bulacan, Batangas and Laguna	<b>₱4,943,238,880</b>	₱3,805,302,822
The Resort Residences at Azure North	Pampanga City	<b>1,584,938,306</b>	952,733,952
The Residences at Commonwealth	Quezon City	<b>577,644,050</b>	771,222,839
Tanza Properties	Cavite	<b>271,977,396</b>	370,877,340
Acqua Private Residences	Mandaluyong City	<b>252,724,430</b>	30,311,570
Century City	Makati City	<b>234,475,621</b>	918,010,391
Azure Urban Resort Residences	Paranaque City	<b>186,862,085</b>	224,204,955
Batulao Artscapes	Batangas	<b>178,781,422</b>	298,071,883
		<b>₱8,230,642,190</b>	<b>₱7,370,735,752</b>

#### *Property management*

Revenue is recognized from property management over time as the services are rendered. The Group's disaggregation of each sources of revenue from property management are presented below:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	September 30, 2022 <b>(Unaudited)</b>
Property management fee	<b>₱340,821,728</b>	₱300,465,194
Technical services	<b>3,679,652</b>	2,647,367
	<b>₱344,501,380</b>	<b>₱303,112,561</b>



## 32. Financial Instruments

### Fair Value Information

The table below presents the carrying amounts and fair values of the Group's financial assets and financial liabilities as follows:

	September 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Carrying Value	Fair value	Carrying Value	Fair value
<b>Financial assets</b>				
ICR	₱9,649,059,525	₱10,249,718,346	₱8,584,320,427	₱8,824,761,754
Rental deposits	97,313,190	100,835,603	95,958,665	98,910,252
	<b>₱9,746,372,715</b>	<b>₱10,350,553,949</b>	<b>₱8,680,279,092</b>	<b>₱8,923,672,006</b>
<b>Other financial liabilities</b>				
Long-term debt	₱9,249,584,624	₱10,150,015,127	₱11,006,315,542	₱11,067,255,646
Bonds payable	8,866,782,827	9,000,000,000	5,917,253,923	6,000,000,000
Liability from purchased land	67,651,595	71,862,940	130,982,533	134,836,069
Refundable deposits	726,757,349	679,753,641	830,474,255	856,018,766
<b>Total financial liabilities</b>	<b>₱18,910,776,395</b>	<b>₱19,901,631,708</b>	<b>₱17,885,026,253</b>	<b>₱18,058,110,481</b>

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

*Cash and cash equivalents, receivables (excluding advances to employees, condominium corporations and other receivables), due from related parties and other payables, due to related parties and short-term debt*

Carrying amounts approximate fair values due to the short-term maturities of these instruments.

#### *Rental deposits*

The fair values of rental deposits are based on the discounted value of future cash flows using the applicable market interest rates. Discount rates ranging from 5.64% to 6.49% and 5.21% to 6.24% were used in calculating the fair value of the Group's rental deposits as of September 30, 2023 and December 31, 2022, respectively.

#### *Long-term debt, bonds payable, liability from purchased land, refundable deposits*

The fair values are estimated using the discounted cash flow method using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used for long-term debt ranged from 5.64% to 6.49% and 1.55% to 2.82% as of September 30, 2023 and December 31, 2022, respectively. The discount rates used for the bonds payable ranged from 5.05% to 5.83% and 4.05% to 4.83% as of September 30, 2023 and December 31, 2022, respectively. The discount rates used for the liability from purchased land ranged from 5.64% to 6.49% and 1.55% to 2.82% as of September 30, 2023 and December 31, 2022, respectively.



The discount rates used for refundable deposits ranged from 5.64% to 6.49% and 4.25% to 5.01% as of September 30, 2023 and December 31, 2022, respectively.

As of September 30, 2023 and December 31, 2022, the Group does not have financial instruments with fair values determined using inputs that are classified under Level 1 and 2.

For the nine-month period ended September 30, 2023 and for the year ended December 31, 2022, the Group did not have transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

#### Financial Risk Management Policies and Objectives

The Group has various financial assets and liabilities such as cash and cash equivalents, receivables, due to and from related parties, and accounts payable and other liabilities, which arise directly from its operations. The Group has bonds payable, short-term and long-term debt availed for financing purposes.

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business activities.

The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's BOD reviews and approves the policies for managing each of these risks and they are summarized below:

#### *Credit Risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis to manage exposure to bad debts and to ensure timely execution of necessary intervention efforts. Real estate buyers are subject to standard credit check procedures, which are calibrated based on payment scheme offered. The Group assessed that its customers portfolio is homogeneous. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.





In addition, the credit risk for ICRs is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject house in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

With respect to credit risk arising from the other financial assets of the Group, exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.

The Group's maximum exposure to credit risk as of September 30, 2023 and December 31, 2022 is equal to the carrying values of its financial assets amounting to ₱6,897.24 million and ₱6,234.53 million, respectively, which excludes cash on hand amounting to ₱1.26 million and ₱1.26 million respectively, and ICRs with carrying values of ₱8,838.71 million and ₱8,584.32 million, respectively.

Cash and cash equivalents and rental deposits - these are considered as high-grade financial assets as these are entered into with reputable counterparties.

Contract assets and receivables other than advances to condominium-corporation - these are considered as high grade since there are no default in payments.

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

As of September 30, 2023 and December 31, 2022, the Group has not recognized an expected credit loss on its financial assets.

#### *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 Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group maintains adequate credit facilities with various financial institutions and reviews regularly the maturity profile of its bank loans and notes payable to ensure availability of funding.



The following table shows the maturity profile of the Group's financial assets used for liquidity purposes and liabilities based on contractual undiscounted payments:

	September 30, 2023		
	Within 1 Year	1 - 5 years	Total
<b>Financial assets</b>			
Cash and cash equivalents	₱3,831,615,470	₱–	₱3,831,615,470
Short-term investments	18,258,017	–	18,258,017
Receivables*	9,683,824,171	1,062,900,379	10,746,724,550
Due from related parties	1,101,240,952	–	1,101,240,952
Rental Deposits	–	97,313,190	97,313,190
	<b>₱14,634,938,610</b>	<b>₱1,160,213,569</b>	<b>₱15,795,152,179</b>
<b>Other financial liabilities</b>			
Accounts and other payables**	₱2,671,298,117	₱–	₱2,671,298,117
Due to related parties	382,178,187	–	382,178,187
Short-term debt	579,012,745	–	579,012,745
Liability from purchased land	67,200,000	451,595	67,651,595
Long-term debt:			
Principal	3,979,919,509	5,321,544,056	9,301,463,565
Interest	–	51,878,941	51,878,941
Bonds payable:			
Principal	3,000,000,000	6,000,000,000	9,000,000,000
Interest	7,150,495	100,830,471	107,980,966
Lease liability	14,404,534	9,153,805	23,558,339
Security deposits	–	705,572,776	705,572,776
	<b>₱10,701,163,587</b>	<b>₱12,189,431,644</b>	<b>₱22,890,595,231</b>

\*Excluding receivables from employees and agents amounting to ₱698.98 million as of September 30, 2023.

\*\*Excluding customers' advances and statutory liabilities amounting to ₱2,750.44 million and ₱206.24 million, respectively, as of September 30, 2023.

	December 31, 2022		
	Within 1 Year	More than 1 year	Total
<b>Financial assets</b>			
Cash and cash equivalents	₱4,130,877,582	₱–	₱4,130,877,582
Short-term deposits	36,786,565	–	36,786,565
Receivables*	9,462,414,681	109,043,517	9,571,458,198
Due from related parties	975,322,703	–	975,322,703
Rental deposits	–	95,958,665	95,958,665
	<b>₱14,605,401,531</b>	<b>₱205,002,182</b>	<b>₱14,810,403,713</b>
<b>Financial liabilities</b>			
Accounts and other payables**	₱3,256,518,941	₱–	₱3,256,518,941
Due to related parties	358,060,626	–	358,060,626
Short-term debt	235,141,310	–	235,141,310
Liability from purchased land	67,200,000	63,782,533	130,982,533
Long-term debt:			
Principal	2,192,453,618	8,813,861,924	11,006,315,542
Interest	–	60,940,103	60,940,103
Bonds payable:			
Principal	–	6,000,000,000	6,000,000,000
Interest	–	82,746,077	82,746,077
Lease liabilities	15,434,671	12,297,519	27,732,190
Refundable deposits	61,343,009	769,131,246	830,474,255
	<b>₱6,186,152,175</b>	<b>₱15,802,759,402</b>	<b>₱21,988,911,577</b>

\*Excluding other receivables from employees amounting to ₱382.87 million as of December 31, 2022.

\*\*Excluding customers' advances and statutory liabilities amounting to ₱1,645.01 million and ₱93.16 million, respectively, as of December 31, 2022.



*Foreign currency risk*

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso.

*Interest rate risk*

Interest rate risk is the risk that changes in the market interest rates will reduce the Group's current or future earnings and/or economic value. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

There is no other impact on the Group's total comprehensive income other than those already affecting the net income.

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**33. Notes to Unaudited Interim Consolidated Statements of Cash Flows**

- a. Accretion of unamortized discount for noninterest-bearing contracts receivable amounting to ₱40.12 million and ₱111.83 million for the nine-month periods ended September 30, 2023 and 2022, respectively.
- b. Borrowing costs capitalized in real estate inventories amounting to ₱121.05 million and ₱176.72 million for the nine-month periods ended September 30, 2023 and 2022, respectively (see Note 13).
- c. Amortization of deferred financing costs amounting to ₱40.71 million and ₱87.78 million for the nine-month periods ended September 30, 2023 and 2022, respectively (see Notes 19 and 20).
- d. Dividends declared amounting to ₱77.84 million and ₱50.38 million are unpaid as of September 30, 2023 and 2022 (see Note 16).
- e. Additions to right-of-use assets and increase in lease liabilities amounting nil and ₱60.51 million for the nine-month period ended September 30, 2023 and 2022, respectively (see Note 29).
- f. Interest accretion of lease liability amounting to ₱6.50 million and ₱1.28 million for the nine-month period ended September 30, 2023 and 2022, respectively (see Note 29).
- g. Interest accretion on deposits for preferred shares amounting to ₱83.40 million for the nine-month period ended September 30, 2023 (see Note 30).



*Changes in liabilities arising from financing activities*

	Septmebr 30, 2023						
	Beginning of the year	Cash flows	Deferred financing cost application	Amortization of discount	Dividend declaration	Other movements	End of the year
Short-term and long-term debts	₱11,241,456,852	(₱1,421,920,649)	₱-	₱9,061,166	₱-	₱-	₱9,828,597,369
Bonds payable	5,917,253,923	3,000,000,000	(82,114,920)	31,643,824	-	-	8,866,782,827
Non-controlling interest	2,312,344,491	(500,000,000)	-	-	-	456,863,729	2,269,208,220
Due to related parties	358,060,626	31,867,165	-	-	-	-	389,927,791
Dividends payable	52,980,640	(216,381,855)	-	-	241,241,409	-	77,840,194
Lease liabilities	27,732,190	(10,674,741)	-	-	-	6,500,889	23,558,338
Deposits for preferred shares	951,925,494	1,005,118	-	-	-	83,404,603	1,036,335,215
Treasury Shares – preferred shares	-	(3,000,000,000)	-	-	-	-	(3,000,000,000)
Deferred financing costs	-	(82,114,920)	82,114,920	-	-	-	-
	₱20,861,754,216	(₱2,198,219,882)	₱-	₱40,704,990	₱241,241,409	546,769,	₱19,492,249,954

	September 30, 2022						
	Beginning of the year	Cash flows	Deferred financing cost application	Amortization of discount	Dividend declaration	Other movements	End of the year
Short-term and long-term debts	₱12,306,967,433	(₱1,349,803,343)	(₱38,936,408)	₱56,122,195	₱-	₱-	₱10,974,349,877
Bonds payable	5,947,195,429	-	(69,907,011)	31,657,119	-	-	5,908,945,537
Non-controlling interest	1,630,172,289	120,000,000	-	-	-	369,095,681	2,119,267,970
Due to related parties	317,358,734	18,305,153	-	-	-	-	335,663,887
Dividends payable	52,980,640	(151,148,249)	-	-	151,148,249	-	52,980,640
Lease liabilities	57,139,963	(13,358,816)	-	-	-	61,786,051	105,567,198
Deposits for preferred shares	1,036,353,927	(38,399,561)	-	-	-	-	997,954,366
Deferred financing costs	-	(108,843,419)	108,843,419	-	-	-	-
	₱21,348,168,415	(₱1,523,248,235)	₱-	₱87,779,314	₱151,148,249	₱430,881,732	₱20,494,729,475

	December 31, 2022						
	Beginning of the year	Cash flows	Deferred financing cost application	Amortization of discount	Dividend declaration	Other movements	End of the year
Short-term and long-term debts	₱12,306,967,433	(₱1,092,637,317)	(₱46,897,795)	₱74,024,531	₱-	₱-	₱11,241,456,852
Bonds payable	5,947,195,429	-	(69,907,011)	39,965,505	-	-	5,917,253,923
Non-controlling interest	1,630,172,289	120,000,000	-	-	-	562,172,202	2,312,344,491
Due to related parties	317,358,734	40,701,892	-	-	-	-	358,060,626
Dividends payable	52,980,640	(201,531,000)	-	-	201,531,000	-	52,980,640
Lease liabilities	57,139,963	(29,407,773)	-	-	-	-	27,732,190
Deposits for preferred shares	1,036,353,927	(30,248,038)	-	-	-	(54,180,395)	951,925,494
Deferred financing costs	-	(116,804,806)	116,804,806	-	-	-	-
	₱21,348,168,415	(₱1,309,927,042)	₱-	₱113,990,036	₱201,531,000	₱507,991,807	₱20,861,754,216

f



**INDEPENDENT AUDITOR'S REPORT  
ON 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 reviewed in accordance with Philippine Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the unaudited interim condensed consolidated financial statements of Century Properties Group Inc. (the Company) and its Subsidiaries (collectively, "the Group") as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022, and have issued our report thereon dated November 30, 2023. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements of the Group taken as whole. The Company's schedule of retained earnings available for dividend declaration is the responsibility of the Company's management. The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of basic interim condensed consolidated financial statements. The schedule has been subjected to the procedures applied in the review of the basic interim condensed consolidated financial statements of the Group, and based on our review, nothing has come to our attention that causes us to believe that the information required to be set forth therein in relation to the interim condensed consolidated financial statements of the Group taken as a whole has not been prepared, in all material respects, in accordance with Philippine Accounting Standard 34, *Interim Financial Reporting*, 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 interim condensed consolidated financial statements.

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, 2021, valid until April 15, 2024

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024

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

November 30, 2023



**INDEPENDENT AUDITORS' REPORT  
ON INTERIM COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Century Properties Group Inc.  
35th Floor, Pacific Star Building  
Sen. Gil Puyat corner Makati Avenue  
Makati City

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the unaudited interim condensed consolidated financial statements of Century Properties Group Inc. and its subsidiaries (collectively, the "Group") as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022, and have issued our report thereon dated November 30, 2023. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Accounting Standards 34 (PAS 34), *Interim Financial Reporting*, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the interim condensed consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic interim condensed consolidated financial statements in accordance with PAS 34, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the interim condensed consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's unaudited interim condensed consolidated financial statements as at September 30, 2023 and for nine-month periods ended September 30, 2023 and 2022 and no material exceptions were noted.

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, 2021, valid until April 15, 2024

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024

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

November 30, 2023



## **INDEPENDENT AUDITORS' REPORT ON INTERIM SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Century Properties Group Inc.  
35th Floor, Pacific Star Building  
Sen. Gil Puyat corner Makati Avenue  
Makati City

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the unaudited interim condensed consolidated financial statements of Century Properties Group Inc. and its subsidiaries (collectively, the "Group") as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022 and have issued our report thereon dated November 30, 2023. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as whole. The schedules listed in the Index to the Interim Condensed Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic interim condensed consolidated financial statements. These schedules have been subjected to the procedures applied in the review of the basic interim condensed consolidated financial statements and, based on our review, nothing has come to our attention that causes us to believe that the information required to be set forth therein in relation to the basic interim condensed consolidated financial statements taken as a whole has not been prepared, in all material respects, in accordance with Philippine Accounting Standard 34, *Interim Financial Reporting*, 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 interim condensed consolidated financial statements.

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, 2021, valid until April 15, 2024

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024

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

November 30, 2023



## **INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

<b>Schedule</b>	<b>Contents</b>
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
E	Long-Term Debt
F	Indebtedness to Related Parties
G	Guarantees of Securities of Other Issuers
H	Capital Stock
I	Financial Soundness Indicators
J	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
K	Reconciliation of Retained Earnings Available for Dividend Declaration
L	Schedule of Preferred Share Proceeds
M	Schedule of Bond Proceeds



SCHEDULE A

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**

**SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS**

**SEPTEMBER 30, 2023**

	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received or accrued
Cash and cash equivalents	P–	P3,831,615,470	P113,363,414
Short-term investments		18,258,017	4,243,625
Receivables			
Trade receivables:			
ICR	–	9,639,355,420	40,118,329
Leasing receivables	–	609,101,048	–
Management fee	–	185,304,335	–
Advances to condominium corporations	–	105,312,491	–
Advances to customers	–	123,882,955	–
Other receivables	–	83,768,301	–
Due from related parties	–	1,101,240,952	–
Rental deposit	–	97,313,190	–
	P–	P15,795,152,179	P157,725,368

**SCHEDULE B****CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**

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**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**  
**SEPTEMBER 30, 2023**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Current	Not Current	Balance at the end of the period
Officers, Directors and Employees	₱28,144,104	₱12,408,688	(₱10,135,252)	₱30,417,540	₱-	₱30,417,540

SCHEDULE C

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM**  
**RELATED PARTIES WHICH ARE ELIMINATED DURING THE**  
**CONSOLIDATION OF FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

	<b>Receivable Balance</b>	<b>Payable Balance</b>	<b>Current Portion</b>
CPGI	₱11,503,700,225	(₱2,356,968,183)	₱9,146,732,042
CLC	1,056,297,908	(8,388,837,219)	(7,332,539,311)
PPHI	365,755,678	(92,335,457)	273,420,221
CCDC	5,954,753,278	(6,582,131,838)	(627,378,560)
CCC	21,085	(1,225,500,714)	(1,225,479,629)
CPMI	49,583,577	(30,453,151)	19,130,426
CDLC	-	(253,885,189)	(253,885,189)
<b>Total Eliminated</b>			
<b>Receivables/Payables</b>	<b>₱18,930,111,751</b>	<b>(₱18,930,111,751)</b>	<b>₱-</b>

**SCHEDULE D**

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**

**SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS**

**SEPTEMBER 30, 2023**

Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charge d to other accoun ts	Other changes addition s (deducti ons)	Ending Balance
Trademark	₱3,024,289	₱-	₱-	₱-	₱-	₱3,024,289
Software Cost	39,317,744	6,889,135	(3,174,059)	-	-	43,032,820
	₱42,342,033	₱6,889,135	(₱3,174,059)	₱-	₱-	₱46,057,109

**SCHEDULE E****CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT AND BONDS**  
**PAYABLE**  
**SEPTEMBER 30, 2023****Long-term Debt and Bonds Payable**

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current Liabilities" in related balance sheet	Amount shown under caption "Noncurrent Liabilities" in related balance sheet
Term Loan	₱7,814,046,565	₱3,192,990,304	₱4,621,056,261
Payable under CTS financing	1,435,523,605	786,914,751	648,608,854
Chattel Mortgage	14,454	14,454	—
Bonds payable	8,866,782,827	2,992,849,505	5,873,933,322
	₱18,116,367,451	₱6,972,769,014	₱11,143,598,437

**SCHEDULE F**

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**

**SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES**

**(LONG-TERM LOANS FROM RELATED COMPANIES)**

**SEPTEMBER 30, 2023**

**Indebtedness to related parties (Long-term loans from Related Companies)**

Name of related party	Balance at beginning of period	Balance at end of period
N/A		

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF**  
**OTHER ISSUERS**  
**SEPTEMBER 30, 2023**

**Guarantees of Securities of Other Issuers**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
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N/A

**SCHEDULE H**

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK**  
**SEPTEMBER 30, 2023**

<b>Capital Stock</b>						
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares	15,000,000,000	11,599,600,690	–	–	9	–

*\*All nine (9) directors have one (1) nominal common shares issued*



SCHEDULE I

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**SEPTEMBER 30, 2023**

Financial ratios	September 30, 2023 (Unaudited)	September 20, 2022 (Unaudited)
<b>Current/Liquidity Ratios</b>		
Current Assets	35,719,516,285	33,951,432,879
Current Liabilities	17,213,310,516	11,435,171,145
<b>Current Ratios</b>	<b>2.1</b>	<b>3.0</b>
Current Assets	35,719,516,285	33,951,432,879
Inventory	16,658,863,431	15,519,401,708
Quick Assets	19,060,652,854	18,432,031,171
Current Liabilities	17,213,310,516	11,435,171,145
<b>Quick Ratios</b>	<b>1.1</b>	<b>1.6</b>
<b>Liabilities and Debt Ratios</b>		
Short-term debt	579,012,745	304,454,458
Long-term debt - Current	3,979,919,509	2,600,048,005
Long-term debt - Non-current	5,269,665,115	8,069,847,414
Bonds payable	8,866,782,827	5,908,945,537
<b>Debt</b>	<b>18,695,380,196</b>	<b>16,883,295,414</b>
<b>Equity</b>	<b>21,355,629,647</b>	<b>23,460,424,263</b>
<b>Debt-to-Equity</b>	<b>0.9</b>	<b>0.7</b>
Debt	18,695,380,196	16,883,295,414
Cash and Cash Equivalents	3,831,615,470	3,327,745,535
<b>Net Debt</b>	<b>14,863,764,726</b>	<b>13,555,549,879</b>
<b>Equity</b>	<b>21,355,629,647</b>	<b>23,460,424,263</b>
<b>Net Debt-to-Equity</b>	<b>0.7</b>	<b>0.6</b>
Debt	18,695,380,196	16,883,295,414
EBITDA (annualized for interim)	3,502,352,588	2,564,548,521
<b>Debt-to-EBITDA</b>	<b>5.3</b>	<b>6.6</b>
Income before Income Tax	1,647,729,386	1,296,129,556
Interest expense	890,121,045	581,023,635
Depreciation and amortization	88,914,010	46,258,200
<b>EBITDA</b>	<b>2,626,764,441</b>	<b>1,923,411,391</b>
<b>Asset to Equity Ratios</b>		
Total Assets	54,256,942,249	53,629,580,708
Total Equity	21,355,629,647	23,460,424,263
<b>Asset to Equity Ratio</b>	<b>2.5</b>	<b>2.3</b>
<b>Liabilities to Equity Ratios</b>		
Total Liabilities	32,901,312,602	30,169,156,444
Total Equity	21,355,629,647	23,460,424,263
<b>Liabilities to Equity Ratio</b>	<b>1.5</b>	<b>1.3</b>

Financial ratios	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
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<b>Profitability ratios</b>		
Revenue	9,694,596,140	8,748,457,563
Gross Profit	4,389,662,114	3,612,546,825
<b>Gross Profit Ratio</b>	<b>45%</b>	<b>41%</b>
<hr/>		
Net Income Attributable to Equity holders of the Parent Company	847,249,019	777,257,658
Revenue	9,694,596,140	8,748,457,563
<b>Net Income Margin</b>	<b>8.7%</b>	<b>8.9%</b>
<hr/>		
<b>Total Net Income after tax (annualized)</b>	<b>1,738,816,997</b>	<b>1,528,471,119</b>
Total Asset CY	54,256,942,249	53,629,580,708
Total Asset PY	53,931,100,448	54,506,509,548
<b>Average total asset</b>	<b>54,094,021,349</b>	<b>54,068,045,128</b>
<b>Return on Asset</b>	<b>3.2%</b>	<b>2.8%</b>
<hr/>		
<b>Total Net Income after tax</b>	<b>1,738,816,997</b>	<b>1,528,471,119</b>
Total Equity CY	21,355,629,647	23,460,424,263
Total Equity PY	23,792,541,874	22,350,664,641
<b>Average total equity</b>	<b>22,574,085,761</b>	<b>22,905,544,452</b>
<b>Return on Equity</b>	<b>7.7%</b>	<b>6.7%</b>
<hr/>		
Net Income	1,304,112,748	1,146,353,338
Revenue	9,694,596,140	8,748,457,563
<b>Net Income Margin</b>	<b>13.5%</b>	<b>13.1%</b>

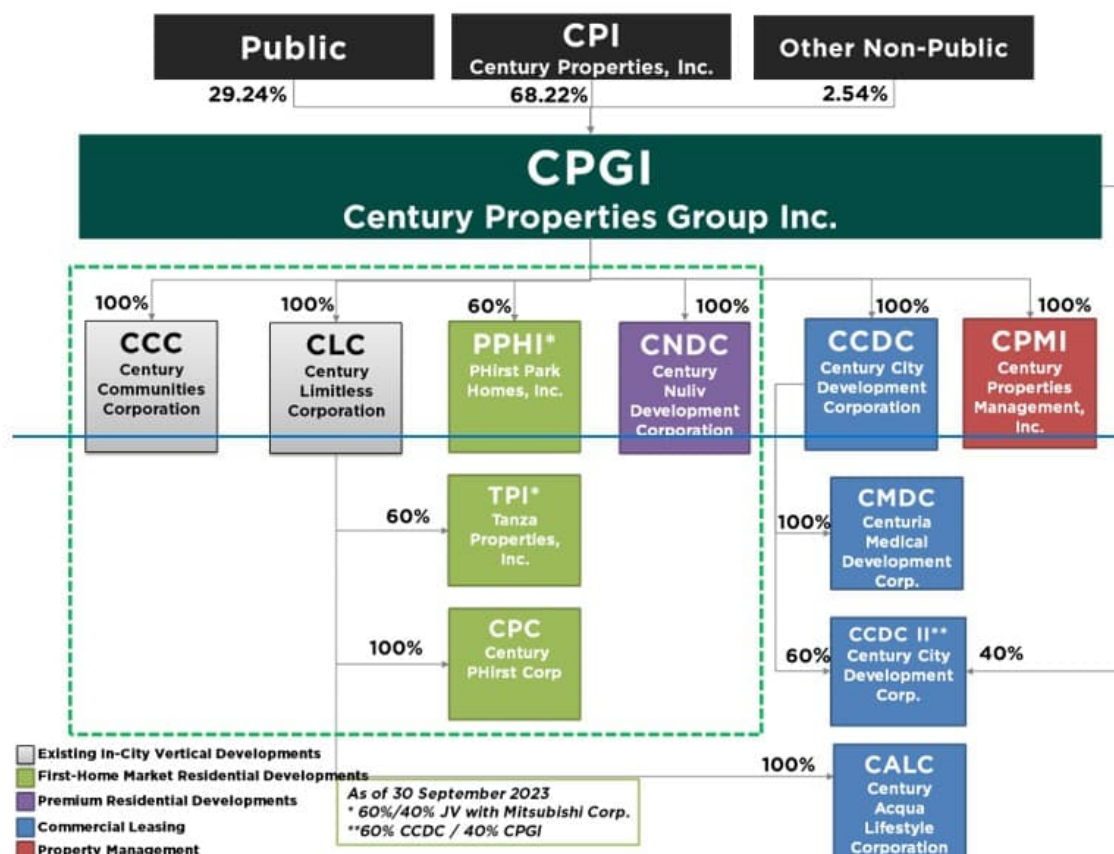
\*Annualized total net income after tax is computed as (Net income for the 9-month period September 30/9 months x 12 months).

/

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES**

SEPTEMBER 30, 2023



\*60%/40% JV with Mitsubishi Corp.  
 \*\*60% owned by CCDC and 40% owned by CPGI

**Century Properties Group Inc. (CPGI)** – incorporated in May 6, 1975, CPGI is the listed Company of CPI with property development corporations as subsidiaries.

**CPGI Subsidiaries**

**Century City Development Corporation (CCDC)** – incorporated in 2006, is focused on developing mixed-use communities that contain residences, office and retail properties. CCDC is currently developing Century City, a 3.4 hectare mixed-use development along Kalayaan Avenue, Makati City. CCDC has fourteen local subsidiaries.

**Milano Development Corporation (MDC) & Centuria Medical Development Corporation (CMDC)** – are wholly owned subsidiaries of CCDC. Affiliated company under CCDC includes CCDC II.

**Century Communities Corporation** – incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced

specialists who develop and execute the right strategy to successfully market a project. CCC is currently developing Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite. 100% owned by CPGI.

**Century Limitless Corporation (CLC)** – incorporated in 2008, is Century’s brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC cater to first-time home buyers, start-up families and investors seeking safe, secure and convenient homes. It has one internal branch office in Singapore namely CLC Singapore. CLC is 100% owned by CPGI.

**Phirst Park Homes, Inc. (PPHI)** – incorporated in 2018, is the new First-Home brand of Phirst Park Homes Incorporated, a company born from the partnership between one of the leading real estate companies in the Philippines, CPGI (60%), and Japanese global integrated business enterprise, Mitsubishi Corporation (40%). It focuses in developing affordable horizontal house and lot development, it aims to promote a balanced life that enhances one’s way of living and overall value where they and their families can thrive in a safe and secured environment.

**Century Nuliv Development Corporation (CNDC)** – incorporated in 2020, is Century’s newest brand category which will focus on building townhouses and other low-rise structures while focusing on sustainability, health and wellness. Projects under CNDC offers homes which come in a range of choices: upscale and premium town villas, homes and enclaves. CNDC is 100% owned by CPGI.

**SCHEDULE K**

**Reconciliation of Retained Earning Available for Dividend Declaration**

For the reporting period ended September 30, 2023

**CENTURY PROPERTIES GROUP, INC.**

35F, Century Diamond Tower, Century City, Kalayaan Ave. cor Salamanca St., Poblacion, Makati City

<b>Unappropriated Retained Earnings, beginning of reporting period</b>		<b>₱210,150,501</b>
<b>Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u></b>		
Reversal of Retained Earnings Appropriation/s	₱-	
Effect of restatements of prior-period adjustments	-	
Others (describe nature)	-	-
<b>Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u></b>		
Dividende declaration during the reporting period	241,241,407	
Retained Earning appropriated during the reporting period	-	
Effect of restatement of prior-period adjustments	-	
Other (describe nature)	-	(241,241,407)
<b>Unappropriated Retained earnings, as adjusted</b>		<b>(₱31,090,906)</b>
<b>Add/Les: Net Income (loss) for the current year</b>		<b>319,607,586</b>
<b>Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u></b>		
Equity in net income of associate/joint venture, net of dividends declared	₱-	
Unrealized foreign exchange gain, except thos attributable to cash and cash equivalentns	-	
Unrealized fair alue adjustment (mark-to-market gains) of financial intruments at fair value trough profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of cetain transactions accounted for under the PFRS (describe nature)	-	
Sub-total	-	-
<b>Add: <u>Category C.2: Unrelized income recognized in the profir or loss in prior reporting periods but realized in the current reporting period (net of tax)</u></b>		
Realized foreigh exchange gain, except those attributable to Cash and cash equivalentns	₱-	
Realized fair value adjustment (market-market gains) of financial instruments at fair vale trough profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustemnet to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total	-	-
<b>Add: <u>Category C.3: Unrelized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u></b>		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fai vale trough profit or loss (FVTPL)	₱-	
Reversal of previously recorded fair vaue gain of Investment Property	-	
Reversa; of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total	-	-
<b>Adjusted Net Income/Loss</b>		<b>₱319,607,586</b>

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)  
Sub-total

**P-**  
\_\_\_\_\_  
-

**Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief  
Total amount of reporting relief granted during the year  
Others (describe nature)  
Sub-total

**P-**  
-  
-  
\_\_\_\_\_  
-

**Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution**

Net movement of treasury shares (except for reacquisition of redeemable shares)  
Net movement of deferred tax asset not considered in the reconciling items under the previous categories  
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use of the asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable  
Adjustment due to deviation from PFRS/GAAP - gain (loss)  
Others (describe nature)  
Sub-total

**P-**  
-  
-  
-  
-  
\_\_\_\_\_  
-

**Total Retained Earnings, end of the reporting period available for dividend**

**₱288,516,680**

**SCHEDULE L**

**CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES**  
**SCHEDULE OF BONDS PROCEEDS**  
**SEPTEMBER 30, 2023**

**₱3.0 BILLION BONDS DUE ON 2024**

Use of Proceeds	ESTIMATED PER PROSPECTUS	ACTUAL
<b>Estimated proceeds from the sale of Bonds</b>	<b>₱3,000,000,000</b>	<b>₱3,000,000,000</b>
Less: Upfront fees		
SEC registration and legal research fee	1,325,625	1,325,625
Underwriting fees	22,500,000	22,500,000
DST	22,500,000	22,500,000
Estimated Professional and Agency Fees	9,343,100	14,306,538
Listing application fees	100,000	100,000
Other Miscellaneous expense	50,000	44,837
<b>Subtotal</b>	<b>₱55,818,725</b>	<b>₱60,777,000</b>
<b>Net proceeds</b>	<b>₱2,944,181,275</b>	<b>₱2,939,223,000</b>

**Balance of Proceeds as of September 30, 2023**

**NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.94 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

**₱3.0 BILLION BONDS DUE ON 2027**

Use of Proceeds	ESTIMATED PER PROSPECTUS	ACTUAL
<b>Estimated proceeds from the sale of Bonds</b>	<b>₱3,000,000,000</b>	<b>₱3,000,000,000</b>
Less: Upfront fees		
SEC registration and legal research fee	1,325,625	1,325,625
Underwriting fees	22,500,000	22,500,000
DST	22,500,000	22,500,000
Estimated Professional and Agency Fees	9,343,100	23,436,549
Listing application fees	100,000	100,000
Other Miscellaneous expense	50,000	44,837
<b>Subtotal</b>	<b>₱55,818,725</b>	<b>₱69,907,011</b>
<b>Net proceeds</b>	<b>₱2,944,181,275</b>	<b>₱2,930,092,989</b>

**Balance of Proceeds as of September 30, 2023**

**NIL**

Century Properties Group, Inc. raised from the Bonds gross proceeds of ₱3.00 billion. After issue-related expenses, actual net proceeds amounted to approximately ₱2.93 billion were used to partially repay existing obligations of the Company, and partially finance capital expenditures of vertical project development and other corporate fund requirements.

**SCHEDULE M****CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES****SCHEDULE OF BONDS PROCEEDS****September 30, 2023****₱3.0 BILLION BONDS**

- ₱0.7 billion due on 2027
- ₱1.3 billion due on 2028
- ₱1.0 billion due on 2030

<b>Use of Proceeds</b>	<b>ESTIMATED PER PROSPECTUS</b>	<b>ACTUAL</b>
<b>Estimated proceeds from the sale of Bonds</b>	<b>₱3,000,000,000</b>	<b>₱3,000,000,000</b>
Less: Upfront fees		
SEC registration and legal research fee	757,530	757,530
Underwriting fees	22,500,000	22,500,000
DST	22,500,000	22,500,000
Estimated Professional and Agency Fees	9,683,000	7,526,920
Listing application fees	300,000	300,000
Other Miscellaneous expense	50,000	50,000
<b>Subtotal</b>	<b>₱55,790,530</b>	<b>₱53,634,450</b>
<b>Net proceeds</b>	<b>₱2,944,209,470</b>	<b>₱2,946,365,550</b>
<b>Balance of Proceeds as of September 30, 2023</b>	<b>NIL</b>	



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

The management of **Century Properties Group Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the nine-month periods ended September 30, 2023 and 2022 and year ended December 31, 2022 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 reviewed the financial statements of the Group in accordance with Philippine Standards on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, 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.**  
Chief Finance Officer

Signed this \_\_\_ day of NOV 30 2023

**SUBSCRIBED AND SWORN** to before me this NOV 30 2023 day of NOV 30 2023 2023 affiants exhibiting to me their Passport Numbers, as follows:

Jose E.B. Antonio	Passport No. P3568592A
Jose Marco R. Antonio	Passport No. P2695556B
Ponciano S. Carreon, Jr.	Passport No. P0133005A

Doc. No. 339 :  
Page No. 67 :  
Book No. ✓ :  
Series of 2023.

  
**DAREN T. LIBAN**  
Appointment No. M-164 (2022-2023)  
Notary Public for Makati City  
Until December 2023  
23rd Floor, Century Diamond Tower, Century City,  
Kalayaan Avenue corner Salamanca 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