COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	6	0	5	6	6	

COMPANY NAME

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

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

35/F CENTURY DIAMOND TOWER, CENTURY CITY, KALAYAAN AVE. COR. SALAMANCA ST., POBLACION, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
cpgi@century-properties.com	(02)7793-5526	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
496	6/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Isabelita C. Sales	cpgi@century-properties.com	N/A	09955734010

CONTACT PERSON's ADDRESS

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

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

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **Century Properties Group Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

JOSE EDUARDO B. ANTONIO
Chairman of the Board

JOSE MARCO R. ANTONIO
President and CEO

PONCIANO S. CARREON JR.
Treasurer and CFO

SUBCRIBED AND SWORN to before me this ______day of ______ 20_____ APR 08 2024 affiants exhibiting to me their competent evidence of identity, as follows:

Name	Competent Evidence of Identity	Expiry Date	Place Issued
Jose Eduardo B. Antonio	OSCA No. 94590	-	-
Jose Marco R. Antonio	Passport no. P2695556B	31-Jul-29	DFA, Manila
Ponciano S. Carreon Jr.	PRC Reg. no. 0092320	26-Jan-25	-

Doc. No. 30 :
Page No. 7 :
Book No. 1 :
Series of 2024

HORACIO J. BAGO
Appointment No. M-282
Notary Public for Makati City
Until December 2025
23rd Floor Century Diamond Tower, Century City
Kalayaan Avenue cor., Salamanca Street,
Barangay Poblacion Makati City
Roll of Attorneys No. 63670
IBP No. Lifetime Member No. 013489
PTR No.10109462MN, 01,26,2024/ Makati City
MCLE Compliance No. VII-0021291 valid until April 14, 2025.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Century Properties Group Inc.
35/F Century Diamond Tower, Century City
Kalayaan Ave. cor. Salamanca St.
Poblacion, Makati City

Opinion

We have audited the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, 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 2023 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures is significant to our audit because this involves the application of significant judgment and estimation in the following areas: (1) assessment of the probability that the Group will be able to collect the consideration from the buyer; and (2) application of the output method as the measure of progress of project completion in determining real estate sales.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the history of sales cancellations and back-outs, if it would still support its current threshold of the buyer's equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done which requires technical determination by management's specialists (third-party project managers). This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction manager which integrates the surveys of performance to date of the construction activities.

The disclosures related to real estate revenue are included in Note 30 to the consolidated financial statements.

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Audit Response

We obtained an understanding of the Group's revenue recognition process, policies and procedures.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellation from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as the buyer's collection reports, cancellation notices and official receipts.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC). We inspected the certified POC reports prepared by the third-party project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, and obtained the supporting details of POC reports showing the completion of the major activities of the project construction.

Valuation of Investment Properties at Fair Value

The Group accounts for its investment properties using the fair value model. Investment properties consist of land and buildings leased out to tenants and represent 22% of consolidated assets of the Group as at December 31, 2023. The determination of the fair values of these investment properties involves significant management judgment and estimations. The valuation also requires the assistance of an external appraiser whose calculations also depend on certain assumptions such as market rent levels, expected vacancy, discount rates and expected maintenance. Thus, we considered the valuation of investment properties at fair value as a key audit matter.

The disclosures relating to investment properties are included in Note 11 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of the external appraiser by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in the evaluation of the methodology and assumptions used in the valuation of the investment properties. We assessed the methodology adopted by referencing common valuation models and compared the inputs and assumptions used against internal and external evidence such as lease contracts, historical vacancy rates, historical maintenance costs, and published market data.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

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

	December 31	
	2023	2022
ASSET		
Current Assets		
Cash and cash equivalents (Note 4)	**₱3,543,351,959**	₱4,130,877,582
Short-term investments (Note 5)	**18,258,017**	36,786,565
Receivables (Note 6)	**10,646,177,087**	9,845,284,321
Real estate inventories (Note 7)	**18,832,235,203**	17,723,397,564
Due from related parties (Note 16)	**1,566,243,753**	975,322,703
Advances to suppliers and contractors (Note 8)	**1,661,845,890**	1,749,972,375
Other current assets (Note 13)	**1,679,891,616**	1,642,042,968
Total Current Assets	**37,948,003,525**	36,103,684,078
Noncurrent Assets		
Noncurrent portion of installment contracts receivable (ICR; Notes 3 and 6)	**1,268,850,078**	109,043,517
Deposits for purchased land (Note 9)	**1,116,792,505**	1,409,481,407
Investments in and advances to joint ventures and an associate (Note 10)	**277,323,170**	275,367,104
Investment properties (Note 11)	**12,421,909,090**	12,394,980,010
Property and equipment (Note 12)	**1,372,757,159**	2,484,315,465
Deferred tax assets - net (Note 27)	**48,357,179**	33,204,518
Other noncurrent assets (Note 13)	**931,418,353**	1,121,024,349
Total Noncurrent Assets	**17,437,407,534**	17,827,416,370
TOTAL ASSETS	**₱55,385,411,059**	₱53,931,100,448
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 14)	**₱6,219,565,272**	₱4,994,692,908
Contract liabilities (Note 15)	**3,873,075,605**	2,769,098,151
Due to related parties (Note 16)	**384,097,093**	358,060,626
Short-term debt (Note 17)	**791,664,471**	235,141,310
Current portion of:		
Long-term debt (Note 17)	**3,851,897,104**	2,192,453,618
Liabilities from purchased land (Note 18)	**49,484,077**	67,200,000
Lease liabilities (Note 28)	**17,374,825**	15,434,671
Bonds payable (Note 19)	**3,000,000,000**	–
Income tax payable	**50,581,068**	68,577,371
Other current liabilities (Notes 28 and 32)	**73,853,300**	68,161,473
Total Current Liabilities	**18,311,592,815**	10,768,820,128
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debt (Note 17)	**6,500,336,528**	8,813,861,924
Bonds payable (Note 19)	**5,877,437,104**	5,917,253,923
Liabilities from purchased land (Note 18)	–	63,782,533
Lease liabilities (Note 28)	**16,834,482**	12,297,519

(Forward)

	December 31	
	2023	2022
Pension liabilities (Note 26)	**₱290,148,290**	₱231,186,468
Deferred tax liabilities - net (Note 27)	**2,458,740,459**	2,542,144,918
Other noncurrent liabilities (Notes 28 and 32)	**1,625,982,952**	1,789,211,161
Total Noncurrent Liabilities	**16,769,479,815**	19,369,738,446
Total Liabilities	**35,081,072,630**	30,138,558,574
Equity (Note 20)		
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	**15,900,000**	15,900,000
Additional paid-in capital	**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 20)	**(3,109,674,749)**	(109,674,749)
Retained earnings	**11,594,253,030**	10,514,098,828
Remeasurement gain (loss) on defined benefit plan	**(4,107,070)**	17,440,823
Other components of equity	**28,156,382**	(683,197,961)
Total Equity Attributable to Equity Holders of the Parent Company	**20,250,158,035**	21,480,197,383
Non-controlling Interest (Note 20)	**54,180,394**	2,312,344,491
Total Equity	**20,304,338,429**	23,792,541,874
TOTAL LIABILITIES AND EQUITY	**₱55,385,411,059**	₱53,931,100,448

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Revenue from contracts with customers:			
Real estate sales (Note 30)	**₱10,794,577,508**	₱9,231,484,879	₱7,664,401,653
Property management fee, hotel, and other services (Notes 23 and 30)	**519,968,447**	423,367,957	400,011,317
Leasing revenue (Notes 11 and 28)	**1,293,121,807**	1,362,474,800	1,200,366,601
Interest income from real estate sales (Note 6)	**93,748,890**	109,318,599	180,116,059
	12,701,416,652	11,126,646,235	9,444,895,630
COSTS			
Cost of real estate sales (Note 7)	**6,013,020,827**	5,607,263,687	4,808,420,850
Cost of leasing (Note 11)	**438,491,958**	440,815,699	352,043,445
Cost of services (Note 23)	**320,589,767**	268,345,792	272,728,398
	6,772,102,552	6,316,425,178	5,433,192,693
GROSS PROFIT	**5,929,314,100**	4,810,221,057	4,011,702,937
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES (Note 21)	**3,350,732,684**	2,771,098,396	2,692,905,068
OTHER INCOME (EXPENSES) – net			
Interest income and others (Note 24)	**798,179,349**	469,275,355	397,550,153
Gain from change in fair value of investment properties (Note 11)	**26,929,080**	28,245,738	225,495,620
Foreign exchange gain (loss)	**(372,439)**	1,060,911	3,210,517
Share in net earnings of joint ventures and an associate (Note 10)	**1,956,066**	3,917,700	8,944,200
Interest and other financing charges (Note 25)	**(1,208,437,779)**	(917,889,517)	(894,592,075)
	(381,745,723)	(415,389,813)	(259,391,585)
INCOME BEFORE INCOME TAX	**2,196,835,693**	1,623,732,848	1,059,406,284
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 27)	**342,192,333**	218,973,769	(209,699,864)
NET INCOME	**1,854,643,360**	1,404,759,079	1,269,106,148
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit plan - net of deferred tax (Note 26)	**(21,547,893)**	64,468,759	75,994,161
Net change in fair value of equity instruments at fair value through OCI	–	–	(352,783)
TOTAL COMPREHENSIVE INCOME	**₱1,833,095,467**	₱1,469,227,838	₱1,344,747,526
Net income attributable to:			
Equity holders of the Parent Company (Note 20)	**₱1,321,395,610**	₱901,290,468	₱950,750,431
Non-controlling interest (Note 20)	**533,247,750**	503,468,611	318,355,717
	₱1,854,643,360	₱1,404,759,079	₱1,269,106,148
Total comprehensive income attributable to:			
Equity holders of the Parent Company (Note 20)	**₱1,299,847,717**	₱961,236,032	₱1,026,391,809
Non-controlling interest (Note 20)	**533,247,750**	507,991,806	318,355,717
	₱1,833,095,467	₱1,469,227,838	₱1,344,747,526
Basic/diluted earnings per share (Note 20)	**₱0.11**	₱0.060	₱0.065

See accompanying Notes to Consolidated Financial Statements.

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Total Equity Attributable to Equity Holders of the Parent Company (Note 20)									
	Common Stock	**Preferred Stock**	**Additional Paid-in Capital**	**Treasury Shares**	**Retained Earnings**	**Remeasurement Gain (Loss) on Defined Benefit Plan**	**Other Components of Equity**	**Total**	**Non-controlling Interest**	**Total**
At January 1, 2023	**₱6,200,853,553**	**₱15,900,000**	**₱5,524,776,889**	**(₱109,674,749)**	**₱10,514,098,828**	**₱17,440,823**	**(₱683,197,961)**	**₱21,480,197,383**	**₱2,312,344,491**	**₱23,792,541,874**
Net income	–	–	–	–	**1,321,395,610**	–	–	**1,321,395,610**	**533,247,750**	**1,854,643,360**
Other comprehensive loss (Note 26)	–	–	–	–	–	**(21,547,893)**	–	**(21,547,893)**	–	**(21,547,893)**
Total comprehensive income	–	–	–	–	**1,321,395,610**	**(21,547,893)**	–	**1,299,847,717**	**533,247,750**	**1,833,095,467**
Cash dividends (Note 20)	–	–	–	–	**(241,241,408)**	–	–	**(241,241,408)**	**(500,000,000)**	**(741,241,408)**
Redemption of preferred shares (Note 20)	–	–	–	**(3,000,000,000)**	–	–	–	**(3,000,000,000)**	–	**(3,000,000,000)**
Acquisition of non-controlling interest (Note 20)	–	–	–	–	–	–	**711,354,343**	**711,354,343**	**(2,291,411,847)**	**(1,580,057,504)**
At December 31, 2023	**₱6,200,853,553**	**₱15,900,000**	**₱5,524,776,889**	**(₱3,109,674,749)**	**₱11,594,253,030**	**(₱4,107,070)**	**₱28,156,382**	**₱20,250,158,035**	**₱54,180,394**	**₱20,304,338,429**
At January 1, 2022	₱6,200,853,553	₱15,900,000	₱5,524,776,889	(₱109,674,749)	₱9,814,339,360	(₱42,504,741)	(₱683,197,961)	₱20,720,492,351	₱1,630,172,290	₱22,350,664,641
Net income	–	–	–	–	901,290,468	–	–	901,290,468	503,468,611	1,404,759,079
Other comprehensive income (Note 26)	–	–	–	–	–	59,945,564	-	59,945,564	4,523,195	64,468,759
Total comprehensive income	–	–	–	–	901,290,468	59,945,564	-	961,236,032	507,991,806	1,469,227,838
Cash dividends (Note 20)	–	–	–	–	(201,531,000)	–	–	(201,531,000)	(200,000,000)	(401,531,000)
Additional investment by non-controlling interest (Note 20)	–	–	–	–	–	–	–	–	374,180,395	374,180,395
At December 31, 2022	₱6,200,853,553	₱15,900,000	₱5,524,776,889	(₱109,674,749)	₱10,514,098,828	₱17,440,823	(₱683,197,961)	₱21,480,197,383	₱2,312,344,491	₱23,792,541,874
At January 1, 2021	₱6,200,853,553	₱15,900,000	₱5,524,776,889	(₱109,674,749)	₱9,028,945,474	(₱118,498,902)	(₱682,845,178)	₱19,859,457,087	₱1,271,816,573	₱21,131,273,660
Net income	–	–	–	–	950,750,431	–	–	950,750,431	318,355,717	1,269,106,148
Other comprehensive income (loss) (Note 26)	–	–	–	–	–	75,994,161	(352,783)	75,641,378	-	75,641,378
Total comprehensive income	–	–	–	–	950,750,431	75,994,161	(352,783)	1,026,391,809	318,355,717	1,344,747,526
Cash dividends (Note 20)	–	–	–	–	(165,356,545)	–	–	(165,356,545)	(160,000,000)	(325,356,545)
Acquisition of non-controlling interest (Note 20)	–	–	–	–	–	–	–	–	200,000,000	200,000,000
At December 31, 2021	₱6,200,853,553	₱15,900,000	₱5,524,776,889	(₱109,674,749)	₱9,814,339,360	(₱42,504,741)	(₱683,197,961)	₱20,720,492,351	₱1,630,172,290	₱22,350,664,641

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,196,835,692**	₱1,623,732,848	₱1,059,406,284
Adjustments for:			
Interest and other financing charges (Note 25)	**1,208,437,780**	917,889,517	894,592,075
Depreciation and amortization (Notes 12, 13 and 21)	**81,875,890**	55,993,463	67,580,015
Retirement expense (Note 26)	**43,196,004**	47,016,562	50,112,456
Interest income (Notes 4, 5, 6 and 24)	**(250,456,764)**	(162,524,367)	(220,318,454)
Gain from change in fair value of investment properties (Note 11)	**(26,929,080)**	(28,245,738)	(225,495,620)
Share in net earnings of joint ventures and associate (Note 10)	**(1,956,066)**	(3,917,700)	(8,944,200)
Write off of advances to related parties (Note 16)	**12,834,223**	–	–
Impairment on investment in a joint venture (Note 10)	–	3,055,000	–
Loss on sale of investment properties (Notes 11 and 24)	–	815,953	34,128,752
Operating income before working capital changes	**3,263,837,679**	2,453,815,538	1,651,061,308
Decrease (increase) in:			
Receivables	**(1,866,950,437)**	(183,879,579)	2,134,808,092
Real estate inventories	**498,649,201**	127,271,816	(1,317,290,278)
Advances to suppliers and contractors	**88,126,485**	676,771,233	960,841
Other assets	**163,859,124**	305,892,453	(27,242,594)
Increase (decrease) in:			
Accounts and other payables	**1,195,247,612**	(256,407,382)	(7,771,058)
Contract liabilities	**1,103,977,454**	(279,512,691)	1,590,833,840
Liability from purchased land	**(81,498,456)**	(77,362,753)	(67,190,457)
Other liabilities	**(153,928,097)**	(80,380,904)	(117,059,539)
Cash generated by operations	**4,211,320,565**	2,686,207,731	3,841,110,155
Interest received (Note 24)	**145,365,612**	53,205,768	40,202,395
Interest and other financing costs paid	**(1,314,005,861)**	(1,018,045,757)	(1,150,215,529)
Income taxes paid	**(451,563,122)**	(288,055,516)	(62,656,415)
Retirement benefits paid (Note 26)	**(10,007,461)**	(15,025,874)	(31,313,494)
Net cash provided by operating activities	**2,581,109,733**	1,418,286,352	2,637,127,112
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of short-term investments	**18,528,548**	995,727,425	–
Sale of investment properties (Note 11)	–	31,056,047	92,923,673
Sale of property and equipment	–	–	12,145,459
Maturity of investment in bonds	–	–	463,750,000
Payments for:			
Additions to investment properties (Note 11)	–	(13,448,339)	(269,005,777)
Additions to short-term investments (Note 5)	–	–	(747,272,234)
Additions to property and equipment (Notes 12 and 34)	**(83,519,822)**	(160,225,133)	(28,549,518)
Deposits for purchased land (Note 9)	**(5,000,000)**	(80,830,196)	(4,569,060)
Intangible assets (Note 13)	**(12,687,025)**	–	(22,455,101)
Advances made to related parties	**(606,712,520)**	(442,835,692)	(62,539,972)
Net cash provided by (used in) investing activities	**(689,390,819)**	329,444,112	(565,572,530)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short-term and long-term debt (Note 17)	**₱3,613,097,763**	₱6,776,350,442	₱3,365,320,535
Issuance of bonds payable (Note 19)	**3,000,000,000**	3,000,000,000	3,000,000,000
Additional investment from non-controlling interest (Note 20)	**–**	320,000,000	200,000,000
Increase (decrease) in liabilities to preferred shareholders of a subsidiary	**7,733,977**	(30,248,038)	–
Receipts of advances made from related parties (Note 16)	**26,036,467**	40,701,892	47,352,712
Payments for:			
Short-term and long-term debt (Note 17)	**(3,709,775,849)**	(7,868,987,759)	(6,751,494,594)
Deferred financing cost (Notes 17 and 19)	**(109,255,420)**	(116,804,807)	(82,986,143)
Cash dividends (Note 20)	**(291,624,158)**	(201,531,000)	(327,440,181)
Dividends paid to non-controlling interest (Note 20)	**(500,000,000)**	(200,000,000)	(160,000,000)
Acquisition of non-controlling interest (Note 20)	**(1,500,050,000)**	–	–
Lease liabilities (Note 28)	**(15,407,317)**	(29,407,773)	(23,678,500)
Redemption of preferred shares (Note 20)	**(3,000,000,000)**	–	–
Bonds payable (Note 19)	**–**	(3,000,000,000)	(119,110,000)
Net cash used in financing activities	**(2,479,244,537)**	(1,309,927,043)	(852,036,171)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(587,525,623)**	437,803,421	1,219,518,411
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	**4,130,877,582**	3,693,074,161	2,473,555,750
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱3,543,351,959**	₱4,130,877,582	₱3,693,074,161

See accompanying Notes to Consolidated Financial Statements.

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, leasing, hotel and property management.

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

Approval of the Consolidated Financial Statements
The consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the Board of Directors (BOD) on April 4, 2024.

2. Material Accounting Policies

Basis of Preparation
The consolidated financial statements have been prepared using the historical cost basis except for investment properties that have been measured at fair value. The 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 Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC 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*).

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);
  b. Treatment of land in the determination of the percentage-of-completion (POC); and

- *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 provisions (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 (PAS) and interpretations issued by PIC.

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments, including preferred shares, issued by a subsidiary that are not owned by the Parent Company, are non-controlling interests. The portion of profit or loss and net assets in subsidiaries not wholly-owned by the Parent Company are presented separately in the consolidated statement of comprehensive income and within the equity section of the consolidated statement of financial position and consolidated statement of changes in equity, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in the controlling ownership interest, i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Percentage of Ownership		
	2023	2022	2021
Century Limitless Corporation (CLC)	100	100	100
Century Acqua Lifestyle Corporation (CALC)	100	100	100
Tanza Properties I, Inc. (TPI I)	100	60	60
Tanza Properties II, Inc. (TPI II)	100	60	60
Tanza Properties III, Inc. (TPI III)	100	60	60
Katipunan Prime Development Corporation (KPDC)	100	100	100
Century PHirst Corporation (CPC)*	100	100	100
Century Properties Management, Inc. (CPMI)	100	100	100
Siglo Suites, Inc. (SSI)	100	100	100
Siglo Commercial Management Corporation (SCMC) ****	–	–	100
Century Communities Corporation (CCC)	100	100	100
Century City Development Corporation (CCDC)	100	100	100
Century City Development Corporation II (CCDC II)	100	100	100
Centuria Medical Development Corporation (CMDC)	100	100	100
Milano Development Corporation (MDC)	100	100	100
Others****	–	–	100
Century Destination Lifestyle Corporation (CDLC)**	100	100	100
PHirst Park Homes, Inc. (PPHI)	100	60	60
Century Nuliv Development Corporation (CNDC)***	100	100	100

**formerly PHirst Park Homes Development Corporation (PPHDC)*
***formerly Century Properties Hotel and Leisure Inc. (CPHLI)*
****formerly Century Prima Corporation (CPC).*
*****subsidiaries of CCDC that were liquidated in 2022*

Acquisition of Additional Interest - 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 Philippine Competition Commission (PCC) has approved the acquisition transaction on August 9, 2023 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition at a transaction price of ₱1.09 per common share and ₱1,085.28 per preferred share (see Note 20).

Acquisition of Additional Interests TPI, TPII, and 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 and the transaction was made effective on October 30, 2023 in accordance with the terms of the acquisition (see Note 20).

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's 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.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements of the Group.

- 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 12, *International Tax Reform – Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise stated, the Group does not expect the adoption of these pronouncements to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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 is currently assessing 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.

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 opted to adopt the relevant provisions of the PIC Q&A using the 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 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 opted to adopt the above IFRIC Agenda Decision using the modified retrospective approach.

<u>Current versus Noncurrent Classification</u>
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

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

The Group classifies all other liabilities as noncurrent.

Financial Instruments

Financial assets

Initial recognition, Classification and Measurement
At initial recognition, financial assets are classified and measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Subsequent measurement of financial assets
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTPL
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- Financial assets designated at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Financial assets at amortized cost
The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of December 31, 2023 and 2022, the Group's financial assets at amortized cost include "Cash and cash equivalents", "Short-term investments", "Receivables" (excluding other receivables), rental deposits under "Other current assets" and "Due from related parties"

Financial liabilities

Initial recognition, Classification and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL
The Group has no financial liability as at FVTPL.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

As of December 31, 2023 and 2022, the Group's financial liabilities at amortized cost includes "Accounts and other payables" (excluding customer's advances and statutory liabilities), "Due to related parties", "Short-term debt", "Liability from purchased land", Long-term debt", "Bonds Payable" and "Liabilities to Preferred Shareholders" under noncurrent liabilities.

Compound financial instruments
A compound financial instrument is a non-derivative financial instrument that, from the Group's perspective, contains both a liability and an equity component. On initial recognition of a compound financial instrument, the Group identifies the various components of the instrument and determine the fair value of the liability component. The Group then determines the equity component as a residual amount, essentially the issue proceeds of the instrument less the fair value liability component determined.

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

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

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

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for management fee and leasing receivables and vintage analyses for Installment Contract Receivables (ICRs) that are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

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

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

For "Cash and cash equivalents", "Short-term Investments" and "Due from related parties" the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch, as applicable, to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Derecognition of Financial Assets and Liabilities

Financial assets

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Write-off
The Group writes off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Land improvement cost
- Borrowing cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Real estate inventories include land held for future development. The Group has plans, as approved by the BOD, to construct and develop these parcels of land as a residential property for sale in the ordinary course of business. The physical construction activities have not commenced as of December 31, 2023 and 2022.

Deposits for Land
The Group normally makes deposits before a CTS or Deed of Absolute Sale (DOAS) is executed between the Group and the landowner. These are recognized and carried at cost less impairment losses, if any.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest measure using the EIR method and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Investments in and Advances to Joint Ventures and Associate
An investment is accounted for using the equity method from the day it becomes a joint venture or associate. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized.

Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies, if there's any. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

Investment Properties
Investment properties comprise of properties that are held to earn rentals or capital appreciation or both and that are not occupied by the entities in the Group.

Investment properties are measured initially at cost including certain transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. The fair values of investment properties are determined based on annual valuation performed by accredited external independent real estate valuation experts based on the "income approach" using discounted cash flow analysis for its income generating buildings which are based on the buildings discounted future cash flows.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner's occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner's occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

For a transfer from investment property to inventories, the change in use is evidenced by commencement of development with a view to sale. When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and does not treat it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation of property and equipment commences once the property and equipment are put into operational use and is computed on a straight-line basis over the estimated useful lives (EUL) of the property and equipment as follows:

	Years
Office equipment	3 - 5
Computer equipment	3 - 5
Furniture and fixtures	3 - 5
Transportation equipment	5
Leasehold improvements	5 or lease term, whichever is shorter
Construction equipment	5
Building	40
Right-of-use assets	3 - 6

The useful lives and depreciation method are reviewed at financial year end to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Construction in progress, included in property and equipment, is stated at cost. Depreciation is computed when the relevant asset is completed and becomes available for use in operations, at which time, the asset is reclassified to its property and equipment category.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged against current operations.

The Group classifies its right-of-use assets as part of property and equipment.

Impairment of Nonfinancial Assets

The Group assesses as at reporting date whether there is an indication that its nonfinancial assets (e.g., property and equipment, deposit for purchased land and investments and advances in joint ventures and associate) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the expense categories of profit or loss consistent with the function of the impaired asset.

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

For investments in associates and joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of comprehensive income.

<u>Leases</u>

Group as a lessee
Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases where the Group does not transfer substantially all the risk and benefits of the ownership of the asset are classified as operating leases. Otherwise, they are classified as finance leases. Rental income from operating leases is recognized as income on a straight-line basis over the lease term.

Liabilities on Preferred Shares Subscription

Liabilities on preferred shares subscription represent cash received by CALC, a subsidiary, that are convertible to a fixed number of CALC's stocks in the future. CALC's preferred shares are considered as compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including twenty-eight (28) free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e., the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

Equity

Common stock, Preferred stock and Additional paid-in capital

The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par value of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings

Retained earnings represent accumulated earnings of the Group less dividends declared, if any and transition adjustments from policy changes.

Treasury shares

Treasury shares are Parent Company' own equity instruments (whether common or preferred) which are reacquired and are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified, in case of common shares, for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the common or preferred capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Non-controlling interest

Non-controlling interest are recognized and measured at the proportionate share of the non-controlling interest to the net assets of the Group. When non-controlling interest is subsequently acquired, the difference between the acquisition price and the carrying value of the interest as at acquisition date is recognized as equity reserve under "Other components of equity" account in the consolidated statement of financial position.

Revenue and Cost Recognition under PFRS 15

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its leasing units, wherein it is acting as agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured based on the physical proportion of the real estate project's completion. This is based on the monthly project accomplishment report prepared by the third-party project engineers which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contracts receivable. Any excess of collections over the recognized installment contracts receivables is included in the "customers' deposit" account in the liabilities section of the consolidated statement of financial position.

The impact of the significant financing component on the transaction price and treatment of land in determination of percentage of completion (POC) to measure the progress of its performance obligations has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34-2020 until December 31, 2023.

Property management fee, hotel and other services
Revenue from property management, hotel and other services is recognized over time as they are rendered since the customer simultaneously receives and consumes the benefits provided by the Group's performance of its obligation. Property management fee and other services consist of revenue arising from management contracts, auction services and technical services while Hotel revenue consist of revenue arising from the rental of rooms, food and beverage sales, and other service revenue.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated between the sold units being recognized as cost of sales and the unsold units being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

The impact of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* has not been considered since the Group availed of the relief granted by the SEC under MC No. 34-2020 until December 31, 2023.

Leasing Revenue
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Income from Forfeited Collections
Income from forfeited collections recorded under "Interest and other income" is recognized at a point in time when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

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

Other Income
Other income consists of customer-related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract.

Cost of Leasing
Cost of leasing pertains to direct costs of leasing the Group's commercial properties. These costs are expensed as incurred.

Cost of Services
Cost of services pertains to direct costs of property management, hotel and other services. These costs are expensed as incurred.

General and Administrative Expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Contract Balances
Installment contract receivables (ICRs)
ICRs pertain to any excess of progress of work over the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The contract assets are presented within the "Installment contract receivables" as allowed by PIC Q&A 2018-12D on the presentation of contract asset.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are recorded as “Prepaid commissions” in the consolidated statement of financial position. These are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “General and administrative expenses” account in the consolidated statement of comprehensive income.
Costs incurred prior to obtaining contract with customer are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Pension Cost
Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees’ projected salaries. Actuarial valuations are conducted with sufficient regularity, with an option to accelerate when significant changes to underlying assumptions occur.

Pension cost includes current service cost, interest cost, past service cost and gains and losses, and curtailment and non-routine settlement.

The liability recognized by the Group in respect of the funded defined benefit pension plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Income Taxes

Current tax

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

Deferred tax

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

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

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associate.

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

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

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable and is included as part of the "Accounts and other payables" account in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset and is included as part of the "Other current assets" and "Other noncurrent assets" accounts in the consolidated statement of financial position to the extent of the recoverable amount.

Foreign Currency Transactions
Transactions denominated in foreign currencies are initially recorded using the exchange rates prevailing at transaction dates. Foreign currency-denominated monetary assets and liabilities are retranslated using the closing exchange rates at reporting date. Exchange gains or losses arising from foreign currency transactions are credited to or charged against current operations.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 31 to the consolidated financial statements.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net income attributable to common stockholders by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. The net income attributable to common stockholders of the Parent Company is net of dividends attributable to preferred stockholders.

Diluted EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2023, 2022 and 2021, the Group has no potentially dilutive common shares.

Events After the Reporting Date
Post year-end events up to the date of auditor's report that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

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

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

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Material partly-owned subsidiaries
The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group (see Note 20). Management determined material partly-owned subsidiaries as those with carrying value of NCI greater than 5% of total NCI as at end of the year. In 2023, the Group acquired the respective NCIs in CLC, PPHI and TPI (see Note 2).

Existence of a contract
The Group's primary document for a contract with a customer is a signed CTS. It has determined, however, that in cases wherein CTS are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use; and (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate

revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 5% would demonstrate the buyer's commitment to pay.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

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

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

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

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

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

Operating lease commitments - the Group as a lessor
Management has determined that the Group retains all significant risks and rewards of underlying assets and thus, accounts for the contracts as operating leases. The ownership of the underlying assets is not transferred to the lessee by the end of the lease term. Leasing revenue amounted to ₱1,293.12 million, ₱1,362.47 million and ₱1,200.37 million in 2023, 2022 and 2021, respectively (see Note 28).

Distinction of property between real estate inventories, property and equipment and investment properties
The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in

the normal operating cycle nor held for administrative purposes are classified as investment properties.

In 2023, the Group, as approved by the BOD, decided to remove 158 units it owns in Novotel Suites Manila at Acqua 6 with a total cost of ₱1,152.68 million from the hotel pool and to sell these as regular residential units. Accordingly, the Group reclassified such amount from “property and equipment” to “real estate inventories” (Notes 7 and 12).

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

Revenue recognition on real estate projects
The Group’s revenue recognition require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group’s revenue from real estate and construction contracts is recognized based on percentage of completion (POC) are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and requires technical determination by management’s specialists (third-party project engineers).

Collectability of the sales price
In determining whether the sales price is collectible, the Group considers that the initial and continuing investments by the buyer of 5% would demonstrate the buyer’s commitment to pay. Based on the historical trend of cancellations of customer contracts, the management believes that 5% continues to be reasonable. The revenue arising from these sales contracts amounted to ₱10,794.58 million, ₱9,231.48 million and ₱7,664.40 million in 2023, 2022 and 2021, respectively (see Note 30).

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 income approach using discounted cash flow method for its properties which are based on future cash flows available for such properties. Gain from change in fair value of investment properties amounted to ₱26.93 million, ₱28.24 million and ₱225.50 million in 2023, 2022 and 2021, respectively. The carrying value of the investment properties amounted to ₱12,421.91 million and ₱12,394.98 million as of December 31, 2023 and 2022, respectively (see Note 11).

Evaluation of impairment of financial assets
The Group uses a provision matrix to calculate ECLs for cash and cash equivalents, short-term investments, receivables other than ICRs, due from related parties, rental deposits and investment in bonds. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Group defines a financial instrument as "in default" when a customer is more than 90 days past due on its contractual obligations. However, in certain cases, the Group may also consider a financial asset to be "in default" when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

As of December 31, 2023, and 2022, the allowance for impairment losses on financial assets of the Group amounted to ₱34.85 million and ₱9.70 million, respectively (see Note 6). As of December 31, 2023, and 2022, the carrying values of these assets are as follows:

	2023 (in millions)	2022 (in millions)
Cash and cash equivalents (Note 4)	**₱3,543.35**	₱4,130.88
Short-term investments (Note 5)	**18.26**	36.79
Receivables* (Note 6)	**11,549.90**	9,581.16
Due from related parties (Note 16)	**1,566.24**	975.32
Rental deposits (Note 13)	**94.25**	95.96

**Excluding other receivables that are non-financial in nature amounting to ₱365.13 million and ₱382.87 million as of December 31, 2023 and 2022, respectively.*

Estimating NRV of real estate inventories
The Group reviews the NRV of real estate inventories and compares it with the cost since assets should not be carried in excess of amounts expected to be realized from sale. Real estate inventories are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions. NRV in respect of inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used took into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The carrying values of real estate inventories amounted to ₱18,832.24 million and ₱17,723.40 million as of December 31, 2023 and 2022, respectively (see Note 7).

Evaluation 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.

The Group's nonfinancial assets includes hotel properties (see Note 12). The Group assessed that there is an indication that the hotel properties might be impaired as of December 31, 2023 and 2022 and thus, the Group calculated the hotel properties' recoverable amount. 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 for the explicit forecast period of 10 years for 2023 and 2022, (b) a pre-tax discount rate of 8.93% and 11.22% in 2023 and 2022, respectively, and (c) a growth rate of 3% and 5% was applied beyond the 10th year projections in 2023 and 2022, respectively, among others. Based on the impairment testing performed, the Group did not identify any impairment of such property as of December 31, 2023 and 2022. In terms of sensitivity, an impairment loss would have resulted had the growth rate applied was about 1.1% or lower and 4.10% or lower as at December 31, 2023 and 2022, respectively.

The Group did not identify impairment indicators on the other cash generating units of the Group. The aggregate value of other nonfinancial assets such as property and equipment (except for hotel properties), advances to suppliers and contractors, deposit for purchased land, investments in and advances to joint ventures and associate, other assets (excluding rental deposit) and receivables from employees is ₱5,013.86 million and ₱5,458.53 million as of December 31, 2023 and 2022, respectively. No impairment was recognized for these nonfinancial assets as of December 31, 2023 and 2022.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income. As of December 31, 2023, and 2022, the Group has unrecognized deferred tax assets amounting to ₱656.13 million and ₱441.08 million, respectively (see Note 27).

4. Cash and Cash Equivalents

This account consists of:

	2023	2022	2021
Cash on hand and in banks	**₱2,187,042,638**	₱2,043,009,395	₱2,607,258,991
Cash equivalents	**1,356,309,321**	2,087,868,187	1,085,815,170
	₱3,543,351,959	₱4,130,877,582	₱3,693,074,161

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 months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term rates ranging from 1.60% to 2.40% and 0.25% to 4.60% in 2023 and 2022, respectively. Interest income on cash and cash equivalents amounted to ₱141.12 million, ₱52.64 million and ₱28.69 million in 2023, 2022 and 2021, respectively (see Note 24).

Cash and cash equivalents amounting to ₱215.56 million are set aside to service certain obligations of the Group as of December 31, 2023.

5. Short-term Investments

As of December 31, 2023 and 2022, short-term investments amounted to ₱18.26 million and ₱36.79 million, respectively. Short-term investments include money market placements exceeding 3 months but less than one year. Short-term investments earn at prevailing short-term interest rate ranging from 2.30% to 3.38% in 2023 and 0.90% to 2.125% in 2022. Interest income earned on short-term investments amounted to ₱4.24 million, ₱0.56 million and ₱11.51 million in 2023, 2022 and 2021, respectively (see Note 24).

6. **Receivables**

This account consists of:

	2023	2022
Trade receivables:		
ICR	**₱10,513,080,456**	₱8,584,320,427
Leasing receivable	**433,567,822**	450,320,867
Management fees	**191,548,312**	140,819,720
Receivable from employees and agents	**365,129,483**	382,869,640
Advances to condominium corporations	**113,681,294**	104,981,945
Advances to customers	**130,572,262**	119,638,563
Other receivables	**202,299,203**	181,080,781
	11,949,878,832	9,964,031,943
Allowance for estimated credit losses for management fees and other receivables	**(34,851,667)**	(9,704,105)
	11,915,027,165	9,954,327,838
Noncurrent portion of ICR	**(1,268,850,078)**	(109,043,517)
	₱10,646,177,087	₱9,845,284,321

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.

Details of ICRs are as follows:

	2023	2022
Gross ICR	**₱13,025,131,114**	₱10,681,177,699
Unamortized discount arising from noninterest-bearing ICR	**(154,892,669)**	(240,441,327)
	12,870,238,445	10,440,736,372
Percentage of completion adjustment	**(2,357,157,989)**	(1,856,415,945)
Carrying value of ICR	**10,513,080,456**	8,584,320,427
Non-current portion of ICR	**(1,268,850,078)**	(109,043,517)
Current portion of ICR	**₱9,244,230,378**	₱8,475,276,910

Unamortized discounts
These ICRs were recorded initially at fair value which is derived using the discounted cash flow model using discount rates ranging from 4.05% to 7.22% and 1.88% to 3.87% in 2023 and 2022, respectively.

Movements in the unamortized discount on ICRs follow:

	2023	2022
Balance at beginning of year	**₱240,441,327**	₱312,352,957
Additions	**8,200,232**	37,406,969
Accretion for the year	**(93,748,890)**	(109,318,599)
Balance at end of year	**₱154,892,669**	₱240,441,327

Interest income from accretion of unamortized discount on ICRs amounted to ₱93.75 million, ₱109.32 million and ₱180.12 million in 2023, 2022 and 2021, respectively.

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 15-30-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. These are realized within twelve months and bears no interest. It also includes salary and other loans granted to the employees and are recoverable through salary deductions. These are noninterest-bearing and are due and demandable.

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.

Others, mainly consist of receivables for repairs and installation cost charge to tenants and reimbursement of regulatory payments. In 2023 and 2022, "Others" included receivable from sales of investment property amounting to ₱52.23 million and ₱70.05 million, respectively.

The movements in the allowance for estimated credit losses for receivables are shown below:

	2023	2022
Balance at beginning of year	**₱9,704,105**	₱8,288,052
Provision, net of reversals (Notes 16 and 21)	**25,147,560**	1,416,053
Balance at end of year	**₱34,851,665**	₱9,704,105

The allowance for expected credit losses pertain to management fees and other receivables.

Receivable financing
The Group entered into various agreements with a local bank whereby the Group assigned its ICRs with recourse at average interest rates ranging from 5.88% to 8.50% and 6.07% to 9.50% in 2023 and 2022, respectively. The assignment agreements provide that the Group will substitute defaulted CTS with other CTS of equivalent value.

The Group retains the assigned receivables in the consolidated financial statements since the Group retains the risks and rewards related to these receivables. The Group records the proceeds from these assignments as long-term debt. The gross amount of ICRs used as collateral amounted to ₱921.96 million and ₱1,303.15 million as of December 31, 2023 and 2022, respectively (see Note 17).

7. Real Estate Inventories

This account consists of:

	2023	2022
Condominium units	**₱11,449,852,612**	₱11,751,816,204
Residential house and lots	**6,352,878,859**	5,192,943,484
Land held for future developments	**1,029,503,732**	778,637,876
	₱18,832,235,203	₱17,723,397,564

The roll-forward of this account follows:

	2023	2022
Balance at beginning of year	**₱17,723,397,564**	₱16,143,099,068
Construction costs incurred	**4,103,984,361**	4,028,718,661
Purchase of land	**1,708,076,167**	1,905,092,486
Borrowing costs capitalized (Note 17)	**157,112,951**	214,146,276
Transfers from investment properties (Note 11)	**–**	1,039,604,760
Transfers from property and equipment (Note 12)	**1,152,684,987**	–
Cost of real estate sales	**(6,013,020,827)**	(5,607,263,687)
Balance at end of year	**₱18,832,235,203**	₱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 1.40% and 1.82%, respectively, for general borrowing costs.

Real estate inventories recognized as "Cost of real estate sales" amounted to ₱6,013.02 million, ₱5,607.26 million and ₱4,808.42 million in 2023, 2022 and 2021, respectively.

In 2023, the Group purchased land in Batangas, Bacolod and Nueva Ecija which will be developed into a residential house and lot to be held for sale with amount totaling to ₱1,708.07 million. The related deposit on land amounting to ₱297.69 million were applied as the payment for the purchase of land (see Note 9).

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 landowners 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 9 and 13).

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

The carrying values of real estate inventories mortgaged for trust receipts payables and bank loans amounted to ₱2,296.48 million and ₱1,281.94 million as of December 31, 2023 and 2022, respectively (see Note 17).

8. Advances to Suppliers and Contractors

Advances to suppliers and contractors amounting to ₱1,661.85 million and ₱1,749.97 million as of December 31, 2023 and 2022, respectively, are capitalized as part of real estate inventories when the materials have been delivered or services have been rendered by the suppliers and contractors, respectively. These advances are intended for the construction of the Group's real estate inventories.

9. Deposits for Purchased Land

This account consists of refundable deposits made to property owners for the acquisition of parcels of land in which the use is currently undetermined. Deposits for purchased land amounted to ₱1,116.79 million and ₱1,409.48 million as of December 31, 2023 and 2022, respectively.

In 2023 and 2022, the Group made additional deposits to property owners for the acquisitions of parcels of land located in Novaliches amounting to ₱5.00 million and ₱80.83 million, respectively.

As disclosed in Note 7, the Group purchased various parcels of land during 2023 and 2022. As a result, the Group applied the related deposit for purchased land amounting to ₱297.69 million and ₱30.16 million, respectively, as part of the payment for the purchased land.

10. Investments in and Advances to Joint Ventures and Associate

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

	2023	2022
Joint ventures:		
One Pacstar Realty Corporation (One Pacstar)	**₱227,112,884**	₱222,562,484
Two Pacstar Realty Corporation (Two Pacstar)	**42,210,386**	44,804,720
Associate:		
Asian Breast Center (ABC)	**7,999,900**	7,999,900
	₱277,323,170	₱275,367,104
Acquisition cost	**₱404,033,094**	₱404,033,094
Accumulated equity in net losses		
Balance at beginning of year	**(125,610,990)**	(129,528,690)
Share in net earnings	**1,956,066**	3,917,700
Balance at end of year	**(123,654,924)**	(125,610,990)
Allowance for impairment loss	**(3,055,000)**	(3,055,000)
	₱277,323,170	₱275,367,104

Investments in One Pacstar Realty Corporation and Two Pacstar Realty Corporation
On October 22, 2014, CLC entered into an agreement with La Costa Development Corporation, Inc. (La Costa) to take out the loan of La Costa with Union Bank of the Philippines in its name and for its sole account. For and in consideration of the loan take out, La Costa transferred, ceded, and conveyed 196,250 shares of One Pacstar and 42,250 shares of Two Pacstar.

Provisions in the agreement grant CLC to vote using the owned shares in the meetings of the stockholders of One Pacstar and Two Pacstar. The Group currently owns 50% of the total voting shares with the remaining 50% owned by La Costa for both One Pacstar and Two Pacstar. This resulted in the two companies having joint control over One Pacstar and Two. The primary purpose of One Pacstar and Two Pacstar is to acquire, own, lease, and manage lands and all other kinds of real estate properties.

One Pacstar and Two Pacstar's principal place of business is 5th Floor, Pacific Star Building, High Rise Tower, Gil Puyat cor. Makati Avenue, Makati City.

Following are the significant financial information of the joint ventures as of December 31, 2023 and 2022 and for the years then ended (in millions):

	2023	2022
Total assets	**₱867**	₱864
Total liabilities	**304**	302
Total revenue	**7**	12
Total expenses	**2**	2

The Group recognized share in net earnings of the joint ventures amounting to ₱1.96 million, ₱3.92 million and ₱8.94 million in 2023, 2022 and 2021, 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.

Investment in Asian Breast Center, Inc. (ABC)
On January 7, 2016, the Group acquired 79,999 shares in ABC with an acquisition price of ₱8.00 million, for a 16.00% ownership. ABC has five (5) directors, one from the Group and four from ABC. Because the Group only has significant influence, this arrangement is considered as an investment in associate and is measured using the equity method.

The primary purpose of ABC is to provide comprehensive ambulatory care for women afflicted with any form of breast disease, including prevention, early detection, early diagnosis, and treatment. ABC's principal place of business is 8th Floor, Centuria Medical Makati, Kalayaan Avenue, Makati City.

The Group has not incurred any contingent liabilities as at December 31, 2023 and 2022 in relation to its interest in the joint ventures and associate, nor do the joint ventures and associate themselves have any contingent liabilities for which the Group is contingently liable. The Group has not entered into any capital commitments in relation to its interest in the joint ventures and associate and did not receive any dividends from the joint ventures and associate.

11. Investment Properties

The Group's investment properties consist of commercial properties currently being leased out. Commercial properties include office buildings and retail mall located in key cities and municipalities in the Philippines.

Movements in this account are as follows:

	2023	2022
Cost:		
Balance at beginning of year	**₱8,343,741,289**	₱9,962,422,883
Construction costs incurred	–	13,448,339
Sale of property	–	(22,256,511)
Transfer to property and equipment (Note 12)	–	(556,820,321)
Transfer to real estate inventories (Note 7)	–	(1,053,053,101)
Balance at end of year	**8,343,741,289**	8,343,741,289
Change in fair value:		
Balance at beginning of year	**4,051,238,721**	4,032,608,471
Sale of property	–	(9,615,488)
Gain from change in fair value of investment property	**26,929,080**	28,245,738
Balance at end of year	**4,078,167,801**	4,051,238,721
	₱12,421,909,090	₱12,394,980,010

In 2023, 2022 and 2021, the Group recognized leasing revenue from the use of the said real properties amounting to ₱1,293.12 million, ₱1,362.47 million and ₱1,200.36 million, respectively, and incurred direct cost of leasing amounting to ₱438.49 million, ₱440.82 million and ₱352.04 million, respectively, in relation to these investment properties.

The carrying values of investment properties mortgaged for trust receipts payables and bank loans amounted to ₱8,444.03 million and ₱8,415.78 million as of December 31, 2023 and 2022, respectively (see Note 17).

In 2022 and 2021, the Group sold portion of its medical office at a loss amounting to ₱0.82 million and ₱34.13 million, respectively (see Note 24). The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

The Group recorded gain on fair value of investment properties amounting to ₱26.93 million, ₱28.25 million and ₱225.50 million in 2023, 2022 and 2021, respectively.

Investment properties are stated at fair value, which has been determined based on valuations performed by a SEC-accredited independent valuer as of December 31, 2023 and 2022.

For the Group's leasing properties, the Group adopted the discounted cash flow analysis which considers the future cash flows from lease contracts. The fair value of the investment properties classified as buildings and land in the 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	Range 2022
Land and Buildings	DCF	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance.	**Discount rate – 10.30% to 11.80%**	Discount rate - 11.26 % to 12.48%
			Market rent levels - ₱400 to ₱1,500/sqm per month	Market rent levels - ₱400 to ₱1,500/sqm per month
			Expected vacancy - 5% to 30%;	Expected vacancy - 5% to 45%
			Expected maintenance - 1% to 5% of gross revenue	Expected maintenance - 2% to 10% of gross revenue

For DCF, significant increases (decreases) in estimated market rent levels and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the investment properties. Significant increases (decreases) in the expected vacancy rate and discount rate in isolation would result in a significantly lower (higher) fair value.

12. **Property and Equipment**

The composition and movements of this account are as follows:

	2023						
	Office Furniture and Equipment	**Transportation Equipment**	**Leasehold Improvements**	**Construction Equipment**	**Building**	**Right-of-use Assets**	**Total**
Cost							
At January 1	**₱211,975,833**	**₱65,753,463**	**₱118,430,057**	**₱251,492,426**	**₱2,352,409,555**	**₱87,865,463**	**₱3,087,926,797**
Additions	**24,378,906**	**–**	**10,258,608**	**48,882,308**	**–**	**27,764,862**	**111,284,684**
Disposal	**–**	**(6,903,706)**	**–**	**–**	**–**	**–**	**(6,903,706)**
Transfer to real estate inventories (Note 7)	**–**	**–**	**–**	**–**	**(1,152,684,987)**	**–**	**(1,152,684,987)**
At December 31	**236,354,739**	**58,849,757**	**128,688,665**	**300,374,734**	**1,199,724,568**	**115,630,325**	**2,039,622,788**
Accumulated Depreciation							
At January 1	**155,422,310**	**59,074,001**	**78,606,246**	**251,492,426**	**–**	**59,016349**	**603,611,332**
Depreciation	**22,865,768**	**1,673,626**	**7,925,626**	**3,664,847**	**18,845,605**	**15,182,531**	**70,158,003**
Disposal	**–**	**(6,903,706)**	**–**	**–**	**–**	**–**	**(6,903,706)**
At December 31	**178,288,078**	**53,843,921**	**86,531,872**	**255,157,273**	**18,845,605**	**74,198,880**	**666,865,629**
Net Book Values at December 31	**₱58,066,661**	**₱5,005,836**	**₱42,156,793**	**₱45,217,461**	**₱1,180,878,963**	**₱41,431,445**	**₱1,372,757,159**

	2022							
	Office Furniture and Equipment	Transportation Equipment	Leasehold Improvements	Construction Equipment	Construction - in -Progress	Building	Right-of-use Assets	Total
Cost								
At January 1	₱179,133,503	₱64,588,284	₱80,459,530	₱251,492,426	₱1,707,342,137	₱–	₱87,865,463	₱2,370,881,343
Additions	32,842,330	1,165,179	37,970,527	–	88,247,097	–	–	160,225,133
Transfer from Investment Property (Note 11)	–	–	–	–	556,820,321	–	–	556,820,321
Transfer to Building	–	–	–	–	(2,352,409,555)	2,352,409,555	–	–
At December 31	211,975,833	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	140,875,376	57,800,457	71,753,066	251,492,426	–	–	33,123,849	555,045,174
Depreciation	14,546,934	1,273,544	6,853,180	–	–	–	25,892,500	48,566,158
At December 31	155,422,310	59,074,001	78,606,246	251,492,426	–	–	59,016349	603,611,332
Net Book Values at December 31	₱56,553,523	₱6,679,462	₱39,823,811	₱–	₱–	₱2,352,409,555	₱28,849,114	₱2,484,315,465

Property and equipment include Building that pertains to the following:

- 152 CALC owned units in Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱642.90 million and ₱635.20 million as of December 31, 2023 and 2022, respectively

- 158 units CLC owned units in Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences amounting to ₱1,52.68 million as of December 31, 2022.

  In 2023, the Group, as approved by the BOD, decided to reclassify its 158 units in Novotel Suites Manila at Acqua 6 with a total cost of 1,152.68 million from the hotel pool to residential units for sale.

- The Pebble (four-storey waterfront clubhouse) of Acqua Private Residences amounted to ₱556.82 million and ₱545.68 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, there are no restrictions on the items of property and equipment of the Group and none of these are pledged as security for the Group's obligations.

The depreciation and amortization of property and equipment in 2023, 2022 and 2021 are recognized as follows:

	2023	2022	2021
General, administrative, and selling expenses (see Note 21)	**₱70,158,003**	₱48,566,158	₱60,455,533

There is no interest expense or borrowing cost capitalized for Property and Equipment in 2023, 2022 and 2021.

13. **Other Assets**

This account consists of:

	2023	2022
Current:		
Prepaid commissions	**₱689,553,895**	₱823,634,164
Input taxes	**480,309,960**	374,339,654
Creditable withholding taxes	**333,995,593**	360,268,502
Prepaid expenses	**122,770,169**	60,422,350
Deferred financing cost	**19,978,705**	–
Others	**33,283,294**	23,378,298
	₱1,679,891,616	₱1,642,042,968
Noncurrent:		
Prepaid commissions	**₱80,921,110**	₱397,465,932
Creditable withholding taxes	**330,156,449**	243,553,449
Advances to landowners	**259,024,174**	259,024,174
Rental deposits (Note 28)	**94,247,911**	95,958,665
Input taxes	**93,892,220**	55,864,797
Intangible assets	**43,311,171**	42,342,033
Others	**29,865,318**	26,815,299
	₱931,418,353	₱1,121,024,349

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 nil and ₱123.31 million as of December 31, 2023 and 2022, respectively (see Note 16).

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.

Advances to landowners 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 beach style lifestyle destination in the Municipality of Palawan. The total advances paid for the property amounted to ₱259.02 million as of December 31, 2023 and 2022.

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 7 and 9).

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 (see Note 29).

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. The related amortization is charged to expense as “Depreciation and amortization” in the “General, administrative and selling expenses” account amounting to ₱11.72 million, ₱7.42 million and ₱7.12 million in 2023, 2022 and 2021, respectively (see Note 21). Additions to software amounted to ₱12.69 million and nil in 2023 and 2022, respectively.

14. Accounts and Other Payables

This account consists of:

	2023	2022
Accounts payable	**₱2,602,712,570**	₱1,932,462,937
Accrued expenses		
Commissions	**383,675,714**	450,024,271
Salaries	**293,062,052**	306,878,946
Taxes	**114,340,108**	85,133,881
Interest	**24,301,440**	50,998,859
Others	**10,322,971**	95,121,839
Customers' advances	**2,367,510,254**	1,651,799,539
Retention payable	**399,446,373**	307,624,517
Dividends payable	**–**	52,980,641
Other payables	**24,193,790**	61,667,478
	₱6,219,565,272	₱4,994,692,908

Accounts payable are attributable to the construction costs incurred by the Group. These are noninterest-bearing and with terms of 15 to 90 days.

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.

Retention payable is noninterest-bearing and is normally settled on a 30-day term upon completion of the relevant contracts.

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

15. 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 December 31, 2023 and 2022, carrying values of contract liabilities amounted to ₱3,873.08 million and ₱2,769.10 million, respectively.

16. 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 at normal market prices. Outstanding balances at year-end are unsecured and noninterest-bearing. There have been no guarantees provided or received for any related party receivables or payables. Related party transactions are settled in cash.

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

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

The related party transactions are shown under the following accounts in the consolidated financial statements:

Due from Related Parties

	Outstanding balances		**Amount of transactions**		**Terms and Conditions**
	2023	2022	**2023**	2022	
Ultimate Parent	**₱866,610,929**	₱270,437,913	**₱596,173,016**	₱55,724,177	
Officers and stockholders	**230,977,152**	223,177,152	**7,800,000**	30,914,494	
Under common control					Noninterest bearing, due and demandable, unsecured, no impairment
CISI	**450,659,309**	450,659,309	–	361,859,660	
CGIC	**77,093**	77,093	**507**	26,111	
CRIT	**507**	10,821	**(10,314)**	(13,372)	
Entity managed by a related party					
CAC	**17,918,763**	30,960,415	**(13,041,653)**	13,251,147	
Centuria Pharma	–	–	–	(13,402,348)	
	₱1,566,243,753	₱975,322,703	**₱590,921,556**	₱448,359,869	

Due to Related Parties

	Outstanding balance		**Amount of transaction**		**Terms and Conditions**
	2023	2022	**2023**	2022	
Ultimate Parent	**₱243,861,878**	₱237,284,750	**₱6,577,128**	₱1,581,435	Noninterest bearing, due and demandable, unsecured
CGIC	**456,360**	456,360	–	456,360	
Officers and stockholders	**139,778,855**	120,319,516	**19,459,339**	38,664,097	
	₱384,097,093	₱358,060,626	**₱26,036,467**	₱40,701,892	

The related party transactions that are eliminated during consolidation follow:

Due from Related Parties

	Outstanding balance		Amount of transaction		Terms and Conditions
	2023	2022	**2023**	2022	
Parent Company					
CPGI	**₱10,065,843,663**	₱9,064,111,278	**₱1,001,732,385**	(₱1,381,974,857)	Noninterest bearing, due and demandable, unsecured, no impairment
Subsidiaries:					
CLC	**919,775,362**	627,336,705	**292,438,657**	105,166,213	
PPHI	**810,621,487**	251,778,440	**558,843,047**	180,300,355	
CCDC	**5,708,043,800**	5,860,822,133	**(152,778,333)**	2,464,278,925	
CCC	**50,000**	–	**50,000**		
CPMI	**49,347,739**	28,887,209	**20,460,530**	11,652,472	
	₱17,553,682,051	₱15,832,935,765	**₱1,720,746,286**	₱1,379,423,108	

Due to Related Parties

	Outstanding balance		Amount of transaction		Terms and Conditions
	2023	2022	**2023**	2022	
Parent Company					
CPGI	**₱286,846,959**	₱587,172,368	**(₱300,325,409)**	₱533,182,289	
Subsidiaries:					
CLC	**9,280,293,925**	7,312,572,120	**1,967,721,805**	210,751,714	Noninterest bearing, due and demandable, unsecured
PPHI	**10,126,762**	5,110,917	**5,015,845**	862,766	
CCDC	**6,466,358,204**	6,440,626,413	**25,731,791**	531,617,140	
CCC	**1,232,573,042**	1,211,347,545	**21,225,497**	78,676,165	
CPMI	**23,597,970**	22,295,605	**1,302,365**	20,308,290	
CDLC	**253,885,189**	253,810,797	**74,392**	4,024,744	
	₱17,553,682,051	₱15,832,935,765	**₱1,720,746,286**	₱1,379,423,108	

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 made by the Group to its affiliates and stockholders for their respective capital expenditures. These are generally noninterest-bearing and are due and demandable.

In 2023, CPMI wrte-off its advances to Centuria Pharma Group, Inc. amounting to ₱12.83 million (see Note 21).

Management agreement
In 2018, 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 as of December 31, 2023 and 2022 amounted to nil and ₱123.31 million, respectively (see Note 13). As of December 31, 2023, the management contract was temporarily put on hold by both parties to revisit sales and marketing strategies.

Key management compensation
The key management personnel of the Group include all directors, executive, and senior management. The details of compensation and benefits of key management personnel in 2023, 2022 and 2021 follow:

	2023	2022	2021
Short-term employee benefits	**₱115,183,326**	₱108,663,515	₱94,490,013
Post-employment benefits	**5,759,242**	5,433,247	4,724,563
	₱120,942,568	₱114,096,762	₱99,214,576

17. Short-term and Long-term Debts

Short-term Debts
The rollforward of the Group's short-term debts follows:

	2023			2022		
	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	**181,828,504**	**852,000,000**	**1,033,828,504**	658,904,094	–	658,904,094
Repayments	**(391,305,343)**	**(86,000,000)**	**(477,305,343)**	(892,122,867)	–	(892,122,867)
Ending balance	**₱25,664,471**	**₱766,000,000**	**₱791,664,471**	₱235,141,310	₱–	₱235,141,310

Trust receipts
Trust receipts (TRs) are facilities obtained from various banks to finance purchases of construction materials the Group's projects. The TRs have average interest rates ranging from 6.62% to 8.00% and 5.72% to 6.62% 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.

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 of short-term PNs from Philippine National Bank (PNB) totaling to ₱342.00 million with interest rates ranging from 6.70% to 7.15%, which is payable monthly until full payment. In 2023, the Parent Company made repayments amounting ₱86.00 million.

- In 2023, the Group availed of a short-term PN facility with Philtrust Bank with total amount of ₱465.00 million with an interest rate of 8.00% per annum, which is payable monthly until full payment or renewal annually.

- In 2023, the Group availed of a short-term PN facility with Chinabank Saving Bank with total amount of ₱30.00 million with an interest rate of 8.38% per annum, which is payable monthly until full payment.

- In 2023, the Group availed of a short-term PN facility with Bank of the Philippine Islands with total amount of ₱15.00 million with an interest rate of 7.75% per annum, which is payable monthly until full payment or renewal annually.

Long-term Debt
As of December 31, 2023 and 2022, this account consists of:

	2023	2022
Long-term debt:		
Bank loans	**₱9,045,691,229**	₱9,012,998,322
Payable under CTS financing	**1,306,542,403**	1,992,662,424
Car loan financing	**–**	654,796
	10,352,233,632	11,006,315,542
Less current portion	**3,851,897,104**	2,192,453,618
Noncurrent portion	**₱6,500,336,528**	₱8,813,861,924

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

	2023			
	Bank Loans	**CTS Financing**	**Car Loan Financing**	**Total**
Principal:				
Balances at beginning of year	**₱9,073,938,425**	**₱1,992,662,425**	**₱654,796**	**₱11,067,255,646**
Addition	**1,900,000,000**	**679,269,259**	**–**	**2,579,269,259**
Payments	**(1,866,426,429)**	**(1,365,389,281)**	**(654,796)**	**(3,232,470,506)**
Balances at end of year	**9,107,511,996**	**1,306,542,403**	**–**	**10,414,054,399**
Deferred financing costs:				
Balances at beginning of year	**60,940,103**	**–**	**–**	**60,940,103**
Addition	**27,140,500**	**–**	**–**	**27,140,500**
Amortization	**(26,259,836)**	**–**	**–**	**(26,259,836)**
Balances at end of year	**61,820,767**	**–**	**–**	**61,820,767**
Carrying values	**₱9,045,691,229**	**₱1,306,542,403**	**–**	**₱10,352,233,632**

	2022			
	Bank Loans	CTS Financing	Car Loan Financing	Total
Principal:				
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)
Balances at end of year	9,073,938,425	1,992,662,424	654,796	11,067,255,645
Deferred financing costs:				
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)
Balances at end of year	60,940,103	–	–	60,940,103
Carrying values	₱9,012,998,322	₱1,992,662,424	₱654,796	₱11,006,315,542

Bank Loans
Bank loans pertains to the following various long-term debt availed by the Group:

Date of availment	2023 (in millions)	2022 (in millions)	Maturity	Interest Rate
November 2023,	**₱1,500**	₱–	November 2028	8.06%, Fixed up to 2 years only; Repricing on November 2025
January - December 2023	**400**	–	Various maturities until July 2026	8.21%-9.08%; Quarterly repricing
August and October 2022	**3,894**	3,984	October 2027	7.39%; Fixed up to 2 years only; Quarterly repricing by Aug 2024
October 2019	**2,434**	2,853	September 2024	7.75%; Semi-annual repricing
July and September 2021	**1**	535	March 2024	5.25%; Fixed until maturity
December 2022	**427**	500	September 2026	8.50%; Annual repricing
May 2021	**202**	274	May 2025	4.65%; Annual repricing
September - October 2019	**250**	535	September 2024	8.75%; Annual repricing
September 2019 and 2022	–	393	Various maturities until September 2023	8.00% Quarterly repricing
	₱9,108	₱9,074		

Interest and principal payments are payable on a quarterly basis for all of the above bank loans.

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% and 6.07% to 9.50% as December 31, 2023 and December 31, 2022, respectively (see Note 6).

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 December 31, 2023 and 2022, the carrying values of these assets mortgaged for trust receipts, payables under CTS financing and bank loans are as follows:

	2023	2022
Real estate inventories	**₱2,296,480,207**	₱1,281,943,917
ICR	**921,957,349**	1,303,147,610
Investment properties	**8,444,029,839**	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 December 31, 2023 and 2022, the Company complied with the provisions of its debt covenants.

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

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

Borrowing Costs

- Borrowing cost capitalized amounted to ₱157.11 million and ₱214.15 million for the years ended December 31, 2023, and 2022, respectively (see Note 7).

Interest Expense and Other Finance Charges

- Interest and other financing charges for the short-term and long-term debts for the years ended December 31, 2023, 2022 and 2021 totaled to ₱632.90 million, ₱399.02 million and ₱386.31 million, respectively (see Note 25).

18. Liabilities 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:

	2023	2022
Current	**₱49,484,077**	₱67,200,000
Noncurrent	–	63,782,533

19. **Bonds Payable**

This account consists of the following:

	December 31, 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)
	9,000,000,000	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	**(42,298,101)**	(39,965,505)
Balances at the end of period	**122,562,896**	82,746,077
Carrying value	**8,877,437,104**	5,917,253,923
Less: Current portion	**3,000,000,000**	–
Non-current portion	**₱5,877,437,104**	₱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.

<u>Interest Expense and Other Finance Charges</u>
Interest and other financing charges from bonds payable in 2023, 2022 and 2021 amounted to ₱453.30 million, ₱392.13 million and ₱404.00 million, respectively (see Note 25).

The Group's Bond payable have covenants to maintain a debt-to-equity ratio of not more than 2.00x, debt service coverage ratio of at least 1.5x and current ratio of 1.5x. As of December 31, 2023 and 2022, the Company complied with the provision of its debt covenant.

20. **Equity**

Earnings per share
Basic earnings per share amounts attributable to equity holders of the Parent Company in 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Net income attributable to the owners of the Parent Company	**₱1,321,395,609**	₱901,290,468	₱950,750,431
Dividends to preferred shares	**100,765,499**	201,531,000	201,531,000
	1,220,630,110	699,759,468	749,219,431
Weighted average number of shares	**11,599,600,690**	11,599,600,690	11,599,600,690
Basic earnings per share	**₱0.11**	₱0.060	₱0.065

Earnings per share are calculated using the consolidated net income attributable to the equity holders of Parent Company less dividend declared to preferred shares divided by the weighted average number of shares. The Group has no potentially dilutive ordinary shares as of December 31, 2023, 2022 and 2021.

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 December 31, 2023 and 2022. There are no movements in the Group's authorized, issued and subscribed shares in 2023, 2022 and 2021.

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 offering of the shares was at ₱1.00 per share.

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

As of December 31, 2023 and 2022, the Parent Company had 496 stockholders with at least one board lot at the PSE, for a total of 11,599,600,690 (₱0.53 par value) issued and outstanding common shares.

Preferred stock
On January 10, 2020, the Parent Company listed at the main board of the PSE its maiden follow-on offering of preferred stock under the trading symbol “CPGP”. These preferred shares are cumulative, non-voting, non-participating and redeemable at the option of the Parent Company. The Parent Company offered 20 million preferred stock at ₱100.00 each with an oversubscription option of up to 10 million preferred stock on December 16, 2019 to January 3, 2020, after the SEC issued an order rendering the Registration Statement that was filed on October 19, 2019 effective and a corresponding permit to offer the securities for sale. The initial dividend rate was set at 6.7177% per annum. The dividends on the preferred stock shall be paid quarterly, every January 10, April 10, July 10, and October 10 of each year.

The 30,000,000 preferred stock with a par value of ₱0.53 were fully subscribed totaling ₱15.90 million. Additional paid-in capital from preferred stock amounted ₱2,984.10 million and issuance cost totaled ₱99.06 million resulting in a net additional paid-in capital ₱2,885.03 million. Total cash received from issuance of preferred shares amounted to ₱2,910.77 million.

On July 10, 2023, the Parent Company fully redeemed its ₱3,000 million 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 December 31, 2023, treasury shares amounted to ₱3,109.67 million consisting of 100.12 million common shares and 30.00 million preferred shares. As of December 31, 2022, treasury shares amounted to ₱109.67 million consisting of 100.12 million common shares.

Retained earnings
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to ₱8,484.58 million and ₱10,404.43 million as of December 31, 2023 and 2022, respectively. These are not available for dividend distribution unless declared by subsidiaries and other investees.

The subsidiaries’ retained earnings available for dividend declaration, after reconciling items, amounted to ₱4,406.41 million and ₱6,353.19 million as of December 31, 2023 and 2022, respectively. Reconciling items include non-cash income from accumulated gains from fair value of investment property amounting ₱4,078.17 million and ₱4,051.24 million, as of December 31, 2023 and 2022, respectively (see Note 11).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cash dividend declaration

The Board of Directors (BOD) of CPGI approved the following dividend declaration in 2023, 2022 and 2021.

	Date of Declaration	Total Amount of Dividends	Dividends per share/ Dividend rate	Shares Record Date	Date of Payment
Dividend for:					
Common Shares	**June 29, 2023**	**₱70,237,954**	**₱0.006055**	**July 28, 2023**	**August 11, 2023**
Common Shares	**June 29, 2023**	**70,237,954**	**₱0.006055**	**September 29, 2023**	**October 13, 2023**
Preferred Shares	**March 8, 2023**	**50,382,750**	**6.7177%**	**July 5, 2023**	**July 10, 2023**
Preferred Shares	**March 8, 2023**	**50,382,750**	**6.7177%**	**April 3, 2023**	**April 11, 2023**
2023		**₱241,241,408**			
Preferred Shares	December 6, 2022	₱50,382,750	6.7177%	January 5, 2023	January 10, 2023
Preferred Shares	August 11, 2022	50,382,750	6.7177%	October 5, 2022	October 10, 2022
Preferred Shares	May 26, 2022	50,382,750	6.7177%	July 6, 2022	July 11, 2022
Preferred Shares	February 4, 2022	50,382,750	6.7177%	April 6, 2022	April 11, 2022
2022		**₱201,531,000**			
Common Shares	July 21, 2021	₱57,486,898	₱0.0050	August 6, 2021	August 18, 2021
Common Shares	July 21, 2021	57,486,897	₱0.0050	October 7, 2021	October 18, 2021
Preferred Shares	November 29, 2021	50,382,750	6.7177%	January 5, 2022	January 10, 2022
2021		**₱165,356,545**			

Total unpaid dividends amounted to nil and ₱52.96 million as of December 31, 2023, and December 31, 2022, respectively (see Note 14).

Non-controlling interest
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 Philippine Competition Commission (PCC) has approved the above transaction on August 9, 2023, and 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 difference between the acquisition price of ₱1,438.00 million and the carrying value of NCI of ₱2,155.32 million as of October 30, 2023, amounting to ₱717.32 million, was recognized in the Group's equity reserve.

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 I.
b. 140,000 common shares with par value of ₱100.00 per share of MC in TPI II.
c. 120,000 common shares with par value of ₱100.00 per share of MC in TPI III.

The PCC has approved the above transaction on August 9, 2023 and on November 24, 2023, CLC completed the above acquisition for a total acquisition price of ₱141.00 million. The difference between the acquisition price and the carrying value of NCI of ₱135.03 million as of October 30, 2023, amounting to ₱5.97 million, was recognized in the Group's equity reserve.

As of December 31, 2023, the Group still holds the escrow account related to the share purchase agreement with MC amounting to ₱78.95 million which is equivalent 5% of the total transaction price.

On December 15, 2022, CALC recognized the equity portion of its deposit for preferred shares subscription. This resulted to increase in non-controlling interest amounting to ₱54.18 million (see Note 33).

Non-controlling interest - dividends declared

The BOD of CPGI subsidiaries approved the following dividend declarations to non-controlling interest.

	Date of Declaration	Total Amount of Dividends	Dividends per share	Dividend declared to NCI	Date of Payment
Declared by:					
TPI I	**May 30, 2023**	**₱78,000,000**	**₱177.66**	**₱31,200,000**	**May 31, 2023**
TPI II	**May 30, 2023**	**24,000,000**	**68.57**	**9,600,000**	**May 31, 2023**
TPI III	**May 30, 2023**	**160,500,000**	**535.00**	**64,200,000**	**May 31, 2023**
PPHI	**May 30, 2023**	**987,500,000**	**0.37**	**395,000,000**	**May 31, 2023**
2023		**₱1,250,000,000**		**₱500,000,000**	
TPI I	June 29, 2022	₱70,000,000	₱159.44	₱28,000,000	June 30, 2022
TPI II	June 29, 2022	230,000,000	657.14	92,000,000	June 30, 2022
TPI III	June 29, 2022	200,000,000	666.67	80,000,000	June 30, 2022
2022		₱500,000,000		₱200,000,000	
TPI II	September 21, 2021	₱400,000,000	₱1,142.86	₱160,000,000	September 30, 2021
2021		₱400,000,000		₱160,000,000	

Non-controlling interest - additional issuances

In 2022, PPHI issued additional 354 million common shares with a par value of ₱1.00 and 96,000 preferred shares with ₱1,000.00 par value per share to CPGI. At the same time, PPHI also issued 254 million common shares with a par value of ₱1.00 and 64,000 preferred shares with ₱1,000.00 par value per share to Mitsubishi Corporation (MC). which resulted into an aggregate increase in the non-controlling interest amounting to ₱320.00 million.

On March 26, 2021, PPHI approved the declaration of ₱223.10 per share cash dividends to its Preferred A shareholders amounting to ₱80.65 million. The dividends were paid on May 26, 2021. The Parent Company holds the Preferred A shares, thus, was eliminated in the consolidated financial statements.

In 2021, PPHI issued additional ₱240 million common shares with a par value of ₱1.00 and 60,000 preferred shares with ₱1,000.00 par value to CPGI and ₱160 million common share with a par value of ₱1.00 and 40,000 preferred shares with a par value ₱1,000.00 to MC, which resulted into an aggregate increase in the non-controlling interest amounting to ₱200.00 million.

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 CCDC II. The difference between the acquisition price paid by CPGI and the value of the non-controlling interest held by MC in CCDCII as of August 24, 2020, amounting to ₱782.24 million, was charged against the Group's equity reserve.

In 2023, the Group acquired the total outstanding shares held by MC in its subsidiaries, TPI I, TPI II, TPI III and PPHI. The difference between the total acquisition price of ₱1,579.00 million and the carrying amount of NCI as of October 30, 2023 amounting to ₱2,290.35 million, which amounted to ₱711.35 million, was recognized in the Group's equity reserve.

Other components of equity also include the remeasurement loss on equity instruments at FVOCI amounting to ₱5.45 million as of December 31, 2023 and December 31, 2022.

The financial information of subsidiaries that have material non-controlling interests is provided below.

Summarized statements of financial position (in millions) as of December 31, 2023 and 2022:

	TPI I		TPI II		TPI III		PPHI	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Current assets	**₱363.71**	₱457.27	**₱375.68**	₱469.61	**₱499.11**	₱595.92	**₱12,453.87**	₱11,035.03
Noncurrent assets	**0.00**	0.41	**–**	0.30	**0.06**	0.64	**100.83**	139.38
Current liabilities	**(138.62)**	(150.98)	**(342.89)**	(307.75)	**(343.36)**	(325.37)	**(6,408.99)**	(4,568.41)
Noncurrent liabilities	**(18.27)**	(29.59)	**(14.61)**	(91.39)	**(37.31)**	(74.43)	**(858.64)**	(1,756.01)
Total equity	**₱206.82**	₱277.11	**₱18.18**	₱70.77	**₱118.50**	₱196.76	**₱5,287.07**	₱4,849.99
Attributable to:								
Equity holders of the Parent Company	**₱206.82**	₱162.17	**₱18.18**	₱42.02	**₱118.50**	₱119.41	**₱5,287.07**	₱2,817.41
Non-controlling interest	**–**	114.95	**–**	28.76	**–**	77.35	**–**	2,032.58
Total equity	**₱206.82**	₱277.12	**₱18.18**	₱70.78	**₱118.50**	₱196.76	**₱5,287.07**	₱4,849.99

Summarized statements of comprehensive income (in millions) for the years ended December 31, 2023 and 2022:

	TPI I		TPI II		TPI III		PPHI	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Revenue	**₱19.18**	₱–	**₱21.20**	₱78.30	**₱222.21**	₱396.46	**₱6,195.19**	₱5,159.94
Cost of real estate sales and services	**2.91**	–	**(22.72)**	(56.89)	**(89.06)**	(133.45)	**(3,078.82)**	(2,722.76)
General and administrative expenses	**(18.53)**	(36.65)	**(20.52)**	(36.49)	**(48.84)**	(53.83)	**(1,551.70)**	(1,143.77)
Operating income (loss)	**3.56**	(36.65)	**(22.04)**	(15.08)	**84.31**	209.18	**1,564.67**	1,293.41
Other income	**10.65**	4.77	**8.51**	24.95	**36.03**	24.00	**373.57**	55.62
Provision for income tax	**(6.50)**	(5.24)	**(15.07)**	(15.84)	**(38.10)**	(9.46)	**(258.29)**	(137.19)
Other Comprehensive Income	**–**	–	**–**	–	**–**	–	**(2.84)**	4.52
Total comprehensive income	**₱7.71**	(₱37.12)	**(₱28.60)**	(₱5.97)	**₱82.24**	₱223.72	**₱1,677.11**	₱1,216.36

	TPI I		TPI II		TPI III		PPHI	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Total comprehensive income attributable to:								
Equity holders of the Parent Company	**₱5.00**	(₱22.27)	**(₱21.04)**	(₱3.58)	**₱55.70**	₱134.23	**₱1,165.34**	₱729.82
Non-controlling interests	**2.71**	(14.85)	**(7.55)**	(2.39)	**26.54**	89.48	**511.78**	486.55
	₱7.71	(₱37.12)	**(₱28.59)**	(₱5.97)	**₱82.24**	₱223.71	**₱1,677.12**	₱1,216.37

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

The Group undertakes to establish the appropriate capital structure for each business line, to allow it sufficient financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group attempts to continually lengthen the maturity profile of its debt portfolio and makes it a goal to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. The Group is subject to externally imposed capital requirements from its bank loans which it has complied with as of December 31, 2023 and 2022 (see Note 17).

Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding other components of equity and remeasurement loss on defined benefit plan, amounting to a total of ₱20,226.11 million and ₱22,145.96 million as of December 31, 2023 and 2022, respectively.

No changes were made in the objectives, policies or processes for managing capital in 2023 and 2022.

21. General, Administrative and Selling Expenses

This account consists of:

	2023	2022	2021
Commission	**₱1,036,566,170**	₱845,591,110	₱924,998,420
Salaries, wages and employee benefits (Note 22)	**780,464,020**	592,879,006	614,621,880
Marketing and promotions	**575,542,686**	465,055,490	245,220,749
Taxes and licenses	**263,231,236**	217,473,794	164,630,953
Outside services	**123,882,639**	60,709,483	99,797,650
Representation expenses	**83,853,158**	110,273,064	81,764,952
Depreciation and amortization (Notes 12 and 13)	**81,875,890**	55,993,463	67,580,015
Professional fees	**71,329,450**	67,866,450	80,609,304
Bad debts expense (Note 6 and 16)	**37,981,784**	1,416,053	–
Rent	**36,757,394**	53,766,339	77,059,448
Utilities	**36,342,721**	14,066,531	15,876,394
Supplies	**34,731,098**	39,177,477	39,167,645
Repairs and maintenance	**30,201,664**	26,031,567	6,579,135
Transportation and travel	**21,676,619**	20,143,613	13,993,785
Communication	**13,895,905**	14,567,022	18,035,120
Miscellaneous	**122,400,250**	186,087,934	242,969,618
	₱3,350,732,684	₱2,771,098,396	₱2,692,905,068

Bad debts expense pertains to write-off of advances to related party amounting to ₱12.83 million in 2023 and additional allowance for estimated credit losses for receivables amounting to ₱25.14 million and ₱1.42 million in 2023 and 2022, respectively (see Note 6 and 16).

Miscellaneous pertains mainly to research development, sponsorships, recruitment fess, software maintenance and insurance.

22. Personnel Cost

This account consists of salaries, wages and employee benefits as follows:

	2023	2022	2021
General, administrative and selling expenses (Note 21)	**₱780,464,020**	₱592,879,006	₱614,621,880
Cost of services	**262,558,196**	268,345,792	272,728,398
	₱1,043,022,216	₱861,224,798	₱887,350,278

The breakdown of salaries, wages and employee benefits is as follows:

	2023	2022	2021
Salaries and wages	**₱871,760,111**	₱698,187,701	₱719,613,208
Retirement expense (Note 26)	**43,196,004**	47,016,562	50,112,456
Other employee benefits	**128,066,101**	116,020,535	117,624,614
	₱1,043,022,216	₱861,224,798	₱887,350,278

23. Property Management Fee, Hotel and Other Services

This account consists of:

	2023	2022	2021
Revenues:			
Property management fee	**₱458,294,134**	₱420,720,590	₱399,099,139
Hotel services	**57,429,992**	–	–
Technical services	**4,244,321**	2,647,367	912,178
	₱519,968,447	₱423,367,957	400,011,317

Property management fee pertains mostly to facilities management and consultancy fees of condominium corporations, corporate facilities and prior projects of the Group, which have been turned over to the respective buyers.

Hotel services pertains to rental of hotel rooms, food and beverage sales, and other service revenue. The Group's hotel business, the Novotel Suites Acqua, started commercial operations in December 2022.

Technical services pertain to other services such as plan evaluation, consultation and project management.

Direct cost of services incurred, which mainly include salaries and employee benefits, contracted services, and cost of repairs and maintenance, amounted to ₱320.60 million, ₱268.35 million and ₱272.73 million in 2023, 2022 and 2021, respectively, in relation to property management.

24. Interest Income and Others

This account consists of:

	2023	2022	2021
Income from forfeited collections	**₱178,804,590**	₱209,167,039	₱143,758,491
Interest income from deposits and short-term investments (Notes 4, and 5)	**145,365,612**	53,205,768	40,202,395
Interest income from amortization of liabilities to preferred shares (Note 32)	**11,342,261**	–	–
Interest income from in-house financing	**111,741,178**	93,197,773	50,374,798
Loss on sale of investment property (Note 11)	–	(815,953)	(34,128,752)
Other income	**350,925,708**	114,520,728	197,343,221
	₱798,179,349	₱469,275,355	₱397,550,153

Income from forfeited collections pertains to forfeited collections from reservation fees whose allowable period of completion has prescribed and terminated sales contracts.

Other income mainly consists of customer-related fees such as processing fees, 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.

25. Interest and Other Financing Charges

Details of this account follow:

	2023	2022	2021
Interest expense from:			
Bonds payable (Note 19)	**₱453,297,442**	₱392,134,510	₱404,004,678
Short-term and long-term debts (Note 17)	**632,900,728**	399,019,655	386,312,590
Lease liabilities (Note 28)	**2,965,638**	4,829,999	4,829,999
Other financing charges	**119,273,972**	121,905,353	99,444,808
	₱1,208,437,780	₱917,889,517	₱894,592,075

Other financing charges mostly include charges from interbank transfers other banking service fees and amortization of deferred transaction costs.

26. **Pension Costs**

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

The components of retirement expense included under "Salaries, wages and employee benefits" under general, administrative and selling expenses follow (see Note 21):

	2023	2022	2021
Current service cost	**₱25,718,179**	₱32,078,230	₱35,256,299
Net interest cost on benefit obligation	**17,477,825**	14,938,332	14,856,157
Retirement expense	**₱43,196,004**	₱ 47,016,562	₱50,112,456

Changes in the fair value of the plan assets (FVPA) and the present value of the retirement obligation (PVRO) are as follows as of December 31, 2023 and 2022:

	2023	2022
FVPA:		
Balance at January 1	**₱7,160,690**	₱7,217,095
Interest income	**523,446**	373,846
Remeasurement loss from changes in financial assumptions	**(78,236)**	(430,251)
Balance at December 31	**7,605,900**	7,160,690
PVRO:		
Balance at January 1	**238,347,158**	286,847,043
Transfer from the Parent Company	**(2,957,246)**	5,524,177
Current service cost	**25,718,179**	32,078,230
Interest cost	**18,001,271**	15,312,178
Benefits paid	**(10,007,461)**	(15,025,874)
Actuarial gain from changes in:		
Financial assumptions	**31,847,881**	(54,307,393)
Experience and demographic assumptions	**(3,195,592)**	(32,081,203)
Balance at December 31	**297,754,190**	238,347,158
Net liability arising from retirement obligation	**₱290,148,290**	₱231,186,468

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

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

	December 31, 2023	
	Increase (decrease)	**Effect on DBO**
Discount rate	**1.0%**	**(₱27,484,969)**
Discount rate	**(1.0%)**	**32,522,968**
Rate of salary increase	**1.0%**	**32,382,224**
Rate of salary increase	**(1.0%)**	**(27,863,092)**

	December 31, 2022	
	Increase (decrease)	Effect on DBO
Discount rate	1.0%	(₱21,670,865)
Discount rate	(1.0%)	25,665,185
Rate of salary increase	1.0%	25,867,276
Rate of salary increase	(1.0%)	(22,197,467)

The assumptions used to determine pension benefits for the Group in 2023 and 2022 are as follows:

	2023	2022
Discount rate	**6.06% - 6.19%**	7.26%-7.41%
Salary increase rate	**3.5% - 6.00%**	3.50%-6.00%

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

Year ending	Amount
December 31, 2024	₱64,961,469
December 31, 2025	6,523,422
December 31, 2026	8,257,239
December 31, 2027	6,384,590
December 31, 2028	19,682,543
December 31, 2029 through December 31, 2033	176,052,396

27. Income Taxes

The provision for income tax consists of:

	2023	2022	2021
Current:			
RCIT/MCIT	**₱429,066,874**	₱347,774,418	₱57,320,573
Final	**11,682,579**	10,641,154	4,799,436
	440,749,453	358,415,572	62,120,009
Deferred	**(98,557,120)**	(139,441,803)	(271,819,873)
	₱342,192,333	₱218,973,769	(₱209,699,864)

Current tax
Income tax includes regular corporate income tax (RCIT) at the rate of 25% in 2023, 2022, and 2021. minimum corporate income tax (MCIT) is at the rate of 1.5% in 2023, 1% in 2022, and 2% in 2020, and final taxes paid is at the rate of 20%, which is a final withholding tax on gross interest income from debt instruments and other deposit substitutes.

Deferred tax

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

	2023	2022
Recognized in the consolidated statements of comprehensive income:		
Deferred tax assets on:		
Accrued retirement costs	**₱26,147,672**	₱39,663,930
Effect of difference in accounting and tax base in real estate sales	**21,426,709**	–
Provisions for impairment losses	**4,737,921**	454,163
	52,312,302	40,118,093
Deferred tax liabilities on:		
Unamortized deferred financing costs	**–**	(20,686,519)
Recognized directly in equity:		
Deferred tax asset (liability) on re-measurement loss on retirement obligation	**(3,955,123)**	13,772,944
	₱48,357,179	₱33,204,518

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

	2023	2022
Recognized in the consolidated statements of comprehensive income:		
Deferred tax assets on:		
Accrued retirement costs	**₱45,020,377**	₱15,706,661
Advance rentals	**17,438,855**	7,209,604
NOLCO	**17,030,403**	1,002,337
MCIT	**7,039,179**	–
Provisions for impairment losses	**3,974,995**	1,971,862
	90,503,809	25,890,464
Deferred tax liabilities on:		
Fair value gains on investment properties	**(1,019,541,950)**	(1,012,809,680)
Effect of difference in accounting and tax base on real estate sales	**(891,039,781)**	(911,958,878)
Prepaid commissions	**(192,618,751)**	(305,275,024)
Effect of difference in accounting and tax base on investment properties	**(390,638,026)**	(293,180,478)
Unamortized deferred financing costs	**(51,090,592)**	(15,235,026)
Others	**(9,639,315)**	(8,482,013)
	(2,554,568,415)	(2,546,941,099)
Recognized directly in equity:		
Deferred tax asset (liability) on re-measurement loss on retirement obligation	**5,324,147**	(21,094,283)
	(₱2,458,740,459)	(₱2,542,144,918)

As of December 31, 2023, carryover NOLCO that can be claimed as deduction from future taxable income is as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2020	₱470,848,536	₱–	₱470,848,536	2025
2021	727,674,762	(99,224,980)	628,449,782	2026
2022	654,733,261	–	654,733,261	2027
2023	850,296,181		850,296,181	2028
	₱2,703,552,740	(₱99,224,980)	₱2,604,327,760	

As of December 31, 2023, MCIT that can be used as deductions against income tax liabilities are as follows:

Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱20,567,503	(₱17,311,425)	₱3,256,078	2026
2022	317,771	–	317,771	2027
2023	8,515,874	–	8,515,874	2028
	₱29,401,148	(₱17,311,425)	₱12,089,723	

Unrecognized deferred tax assets
The Group has NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized. Unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱634.05 million and ₱5.05 million respectively, as of December 31, 2023 and ₱437.51 million and ₱3.57 million, respectively, as of December 31, 2022.

Statutory reconciliation
The reconciliation of the provision for income tax computed at statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2023	2022	2021
Provision for income tax computed at statutory rate	**₱549,208,925**	₱405,933,210	₱264,851,571
Adjustments for:			
Nondeductible interest and other expenses	**326,542,280**	444,746,328	489,979,641
Change in unrecognized deferred tax assets	**224,511,311**	147,613,893	200,807,087
Expired NOLCO	**–**	37,406,500	–
Expired/Applied MCIT	**933,958**	33,380,847	21,481,945
Final tax	**11,682,579**	10,641,154	4,799,435
Adjustment from CREATE law	–	–	(465,858,931)
Income under income tax holiday	**(737,302,675)**	(807,542,395)	(612,468,294)
Non-taxable interest and other income	**(33,384,045)**	(53,205,768)	(113,292,318)
Provision for income tax	**₱342,192,333**	₱218,973,769	(₱209,699,864)

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

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

In 2021, the reduction in RCIT and MCIT rates from 30% to 25% and 2% to 1%, respectively has reduced the current tax expense of the Group by ₱27.92 million. Also, the reduction in rates decreased deferred tax expense by ₱55.65 million and deferred tax assets by ₱437.94 million in 2021.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021. Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

28. Lease Contracts

Group as lessee
The Group has lease contracts for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on the agreed fixed monthly rent, subject to escalation. As of December 31, 2023 and 2022, the Group has rental deposits pertaining to these lease contracts amounting to ₱94.25 million and ₱95.96 million, respectively (see Note 13).

The rollforward of lease liability is as follows:

	December 31, 2023	December 31, 2022
Balance at beginning of year	**₱27,732,190**	₱57,139,963
Additions	**21,884,434**	–
Accretion for the year (Note 25)	**2,965,638**	4,829,999
Payments	**(18,372,955)**	(34,237,772)
Balance at end of year	**34,209,307**	27,732,190
Less current portion	**17,374,825**	15,434,671
Noncurrent portion	**₱16,834,482**	₱12,297,519

Payments for principal and interest on lease liability are presented under financing activities while payments for interest on lease liability are presented under operating activities. The Group has paid ₱15.41 million, ₱ 29.41 million and ₱23.68 million related to principal portion of lease liabilities in 2023, 2022 and 2021, respectively. Total interest on lease liabilities paid amounted to ₱2.97 million, ₱4.83 million and ₱4.83 million in 2023, 2022 and 2021, respectively.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2023	2022	2021
Depreciation expense of right-of-use assets included in property and equipment	**₱15,182,531**	₱25,892,500	₱27,819,739
Interest expense on lease liabilities	**2,965,638**	4,829,999	4,829,999
Expenses relating to short-term leases (included in general, selling and administrative expenses) (Note 21)	**17,862,526**	53,766,339	77,059,448
Leasing revenues	**1,293,121,807**	1,362,474,800	1,200,366,601
Total amount recognized in the consolidated statements of comprehensive income	**₱1,329,132,502**	₱1,446,963,638	₱1,310,075,787

The movements of ROU assets during 2023 and 2022 are as follows:

	2023	2022
Balance at beginning of year	**₱28,849,114**	₱54,741,614
Additions (Note 12)	**27,764,862**	–
Amortization expense (Note 12)	**(15,182,531)**	(25,892,500)
Balance at end of year	**₱41,431,445**	₱28,849,114

Shown below is the maturity analysis of the future undiscounted lease payments as of December 31, 2023 and 2022:

	2023	2022
Within one year	**₱17,374,825**	₱15,434,671
After one year but not more than three years	**16,834,482**	12,297,519

Group as lessor
The Group is a lessor of its commercial units in its retail mall, hospital, office and commercial spaces. The leases have terms ranging from one (1) year to (10) years, with renewal options. Monthly rent payment is computed using a fixed rate per square meter and variable rent based on percentage of sales of the tenants for the year. Leasing revenue recognized amounted to ₱1,291.34 million, ₱1,362.47 million and ₱1,200.36 million in 2023, 2022 and 2021, 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 ₱59.85 million and ₱61.34 million and "Other noncurrent liabilities" amounting to ₱645.44 million and ₱769.13 million as of December 31, 2023 and December 31, 2022, respectively (see Note 32).

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 ₱14.00 million and ₱6.81 million and "Other noncurrent liabilities" amounted to ₱98.02 million and ₱68.15 million as of December 31, 2023 and December 31, 2022, respectively (see Note 33).

Future minimum rentals receivable under operating leases are as follows:

	2023	2022
Within one year	**₱974,901,869**	₱956,958,326
After one year but not more than three years	**2,526,297,570**	3,700,646,343

29. **Financial Instruments**

Fair Value Information

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

	2023		2022	
	Carrying Value	**Fair value**	Carrying Value	Fair Value
Financial assets				
ICR	**₱10,513,080,456**	**₱11,175,582,342**	₱8,584,320,427	₱8,824,761,754
Rental deposits	**94,247,911**	**95,479,912**	95,958,665	98,910,252
	₱10,607,328,367	**₱11,271,062,254**	₱8,680,279,092	₱8,923,672,006
Financial liabilities				
Long-term debt	**10,352,233,632**	**11,360,005,043**	11,006,315,542	11,067,255,646
Bonds payable	**8,877,437,104**	**9,000,000,000**	5,917,253,923	6,000,000,000
Liability from purchased land	**49,484,077**	**52,564,486**	130,982,533	134,836,069
Security deposits	**724,950,698**	**679,753,641**	830,474,255	856,018,766
	₱18,688,181,741	**₱19,475,135,029**	₱17,885,026,253	₱18,058,110,481

Fair Value of Financial Instruments

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

Financial assets

Cash and cash equivalents, receivables (excluding ICRs), due from related parties, accounts 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.

ICRs

Fair value is based on undiscounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date using the remaining terms of maturity. Discount rates ranging from 5.88% to 8.12% were used in calculating the fair value as of December 31, 2023 and 2022.

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 December 31, 2023 and 2022, respectively.

Long-term debt, bonds payable, liability from purchased land and, security 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 December 31, 2023 and 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 December 31, 2023 and 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 December 31, 2023 and 2022, respectively.

The discount rates used for refundable deposits ranged from 6.64% to 6.49% and 4.25% to 5.01% as of December 31, 2023 and 2022, respectively. The discount rates used for the lease liabilities ranged from 5.64% to 6.49% and 1.55% to 2.82% as of December 31, 2023 and 2022, respectively.

In 2023 and 2022, the Group did not have transfers between Level 1 and Level 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 December 31, 2023 and 2022 is equal to the carrying values of its financial assets with an aggregate amount of ₱7,149.04 million and ₱6,224.82 million, which excludes cash on hand amounting to ₱1.26 million and ₱1.26 million respectively, and ICRs with carrying values of ₱9,756.91 million and ₱8,584.32 million, respectively.

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

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

Receivables - 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.

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's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Group's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt.

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

	December 31, 2023		
	Within 1 Year	**More than 1 year**	**Total**
Financial assets			
Cash and cash equivalents	**₱ 3,543,351,959**	**₱–**	**₱ 3,543,351,959**
Short-term deposits	**18,258,017**	**–**	**18,258,017**
Receivables*	**10,281,047,604**	**1,268,850,078**	**11,549,897,682**
Due from related parties	**1,566,243,753**	**–**	**1,566,243,753**
Rental deposits	**–**	**94,247,911**	**94,247,911**
	₱15,408,901,333	**₱1,363,097,989**	**₱16,771,999,322**
Financial liabilities			
Accounts and other payables**	**₱3,596,326,143**	**₱–**	**₱3,596,326,143**
Due to related parties	**384,097,093**	**–**	**384,097,093**
Short-term debt	**791,664,471**	**–**	**791,664,471**
Liability from purchased land	**49,484,077**	**–**	**49,484,077**
Long-term debt:			
Principal	**3,851,897,104**	**6,562,157,296**	**10,414,054,400**
Interest	**–**	**61,820,767**	**61,820,767**
Bonds payable:			
Principal	**3,000,000,000**	**6,000,000,000**	**9,000,000,000**
Interest	**–**	**122,562,896**	**122,562,896**
Lease liabilities	**17,374,824**	**16,834,482**	**34,209,306**
Security deposits	**59,850,397**	**645,436,816**	**705,287,213**
	₱11,750,694,109	**₱13,408,812,257**	**₱25,159,506,366**

** Excluding receivables from employees amounting to ₱365.13 million as of December 31, 2023.*
***Excluding customers' advances and statutory liabilities amounting to ₱2,372.29 million and ₱255.73 million, respectively, as of December 31, 2023.*

	December 31, 2022		
	Within 1 Year	More than 1 year	Total
Financial assets			
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
	₱14,605,401,531	₱205,002,182	₱14,810,403,713
Financial liabilities			
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
Security deposits	61,343,009	769,131,246	830,474,255
	₱6,186,152,175	₱15,802,759,402	₱21,988,911,577

** Excluding 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.*

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.

The following table sets out the carrying amount, by maturity, of the Group's long-term debt that are exposed to interest rate risk.

	Interest terms (p.a.)	**Rate fixing period**	**<1 year**	**1 to 5 years**
2023	**6.2-10.3**	**Monthly; Annually**	**₱3,185,696,105**	**₱1,200,949,687**
2022	6.2-10.3	Monthly; Annually	₱2,048,457,716	₱3,769,500,261

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all variables held constant, of the Group's income before tax and equity (through the impact on floating rate borrowings).

	2023		2022	
	Increase (decrease) in interest rates	**Effect on profit before tax**	Increase (decrease) in interest rates	Effect on profit before tax
Basis points	**1.00%**	**(₱43,866,458)**	0.33%	(₱19,199,261)
	(1.00%)	**43,866,458**	(0.33%)	19,199,261

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

30. **Performance Obligations**

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 contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium 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.

Payment 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%-30% of the contract price spread over a certain period (e.g., three months to four years) 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 an installment contract receivable or contract liability.

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

	2023	2022
Within one year	**₱8,332,201,610**	₱7,029,550,189
More than one year	**1,007,398,598**	298,170,841
	₱9,339,600,208	₱7,327,721,030

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. The Group's condominium units are completed within three years and five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

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

Project	Location	**2023**	2022	2021
Century City	Makati City	**₱246,715,607**	₱1,019,209,007	₱957,678,288
The Residences at Commonwealth	Quezon City	**604,996,499**	893,414,343	916,120,606
Azure Urban Resort Residences	Paranaque City	**151,358,493**	218,846,457	256,102,227
Acqua Private Residences	Mandaluyong City	**641,428,070**	30,710,474	200,961,843
The Resort Residences at Azure North	Pampanga City	**1,630,477,942**	1,085,356,789	1,225,269,089

Forward

Project	Location	**2023**	2022	2021
Batulao Landscapes	Batangas	**₱122,051,569**	₱347,705,325	₱200,232,805
Tanza Properties	Cavite	**262,593,722**	476,306,136	839,990,130
PHirst Park Homes	Cavite	**989,963,986**	–	–
PHirst Park Homes	Bulacan	**686,789,308**	2,322,672,961	488,248,023
PHirst Park Homes	Laguna	**818,468,217**	1,109,375,197	1,142,833,971
PHirst Park Homes	Pampanga City	**1,217,895,114**	618,512,994	132,283,950
PHirst Park Homes	Batangas	**1,686,955,964**	1,109,375,196	1,304,680,721
PHirst Park Homes	Tayabas Quezon	**511,183,939**	–	–
PHirst Park Homes	Bataan	**202,477,479**	–	–
PHirst Park Homes	Nueva Ecija	**81,456,254**	–	–
Editions Batulao	Batangas	**524,929,984**	–	–
Sights Bay	Laguna	**414,835,361**	–	–
		₱10,794,577,508	₱9,231,484,879	₱7,664,401,653

Property management, hotels and other service fees
The Group's disaggregation of each source of property management, hotels and other service fees are as follows:

Location	**2023**	2022	2021
Within Metro Manila	**₱512,910,493**	₱416,646,096	₱393,609,545
Outside Metro Manila	**7,057,954**	6,721,861	6,401,772
	₱519,968,447	₱423,367,957	₱400,011,317

31. **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 and lease of residential developments under partnership agreements;
- Property and hotel 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, rental of hotel rooms, food and beverage sales, and other service revenue;
- Leasing - lease of the Group's retail mall.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

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

	For the Year Ended December 31, 2023				
	Real Estate Development	**Property and Hotel Management**	**Leasing**	**Adjustments and Elimination**	**Consolidated**
Revenue	**₱10,958,124,787**	**₱519,968,447**	**₱1,293,121,807**	**(₱69,798,389)**	**₱12,701,416,652**
Costs and expenses					
Cost of real estate sales and services	**6,013,020,827**	**320,589,767**	**438,491,958**	**–**	**6,772,102,552**
General, administrative and selling expenses	**3,301,552,892**	**170,411,395**	**72,293,791**	**(193,525,394)**	**3,350,732,684**
Operating income	**1,643,551,068**	**28,967,285**	**782,336,058**	**123,727,005**	**2,578,581,416**
Other income (expenses)					
Interest and other income	**1,938,049,845**	**20,061,014**	**182,143,100**	**(1,313,561,903)**	**826,692,056**
Interest and other financing charges	**(797,588,377)**	**(1,333,104)**	**(419,663,190)**	**10,146,892**	**(1,208,437,779)**
Income before income tax	**2,784,012,536**	**47,695,195**	**544,815,968**	**(1,179,688,006)**	**2,196,835,693**
Provision for income tax	**238,660,963**	**21,379,188**	**149,828,429**	**(67,676,247)**	**342,192,333**
Net income	**₱2,545,351,573**	**₱26,316,007**	**₱394,987,539**	**(₱1,112,011,760)**	**₱1,854,643,360**

	As of December 31, 2023				
Segment assets	**₱67,905,556,416**	**₱1,399,531,499**	**₱18,802,886,214**	**(₱32,770,920,249)**	**₱55,337,053,880**
Deferred tax assets	**21,470,260**	**16,882,410**	**–**	**10,004,509**	**48,357,179**
Total Assets	**₱67,927,026,676**	**₱1,416,413,909**	**₱18,802,886,214**	**(₱32,760,915,740)**	**₱55,385,411,059**
Segment liabilities	**₱45,335,383,130**	**₱1,391,805,271**	**₱6,581,816,373**	**(₱20,686,672,603)**	**₱32,622,332,171**
Deferred tax liabilities	**1,542,158,531**	**–**	**925,354,916**	**(8,772,988)**	**2,458,740,459**
Total Liabilities	**₱46,877,541,661**	**₱1,391,805,271**	**₱7,507,171,289**	**(₱20,695,445,591)**	**₱35,081,072,630**

	For the Year Ended December 31, 2022				
	Real Estate Development	Property Management	Leasing	Adjustments and Elimination	Consolidated
Revenue	₱9,383,717,315	₱423,367,957	₱1,362,474,800	(₱42,913,837)	₱11,126,646,235
Costs and expenses					
Cost of real estate sales and services	5,607,263,687	268,345,792	440,815,699	–	6,316,425,178
General, administrative and selling expenses	2,818,432,222	87,384,331	62,765,293	(197,483,450)	2,771,098,396
Operating income	958,021,406	67,637,834	858,893,808	154,569,613	2,039,122,661
Other income (expenses)					
Interest and other income	1,475,139,549	110	123,109,188	(1,095,749,143)	502,499,704
Interest and other financing charges	(616,471,480)	(26,054)	(305,491,896)	4,099,913	(917,889,517)
Income before income tax	1,816,689,475	67,611,890	676,511,100	(937,079,616)	1,623,732,849
Provision for (benefit from) income tax	22,644,048	18,266,478	179,497,975	(1,434,731)	218,973,770
Net income	₱1,794,045,427	₱49,345,412	₱497,013,125	(₱935,644,885)	₱1,404,759,079

	As of December 31, 2022				
Segment assets	₱61,637,813,735	₱309,294,327	₱18,793,326,549	(₱26,842,538,681)	₱53,897,895,930
Deferred tax assets	10,590,006	12,625,887	–	9,988,625	33,204,518
Total Assets	₱61,648,403,741	₱321,920,214	₱18,793,326,549	(₱26,832,550,056)	₱53,931,100,448
Segment liabilities	₱30,445,559,476	₱260,464,436	₱13,499,061,188	(₱16,608,671,445)	₱27,596,413,655
Deferred tax liabilities	1,580,595,697	–	902,645,971	58,903,251	2,542,144,919
Total Liabilities	₱32,026,155,173	₱260,464,436	₱14,401,707,159	(₱16,549,768,194)	₱30,138,558,574

	For the Year Ended December 31, 2021				
	Real Estate Development	Property Management	Leasing	Adjustments and Elimination	Consolidated
Revenue	₱7,844,517,712	₱400,011,317	₱1,200,366,601	₱–	₱9,444,895,630
Costs and expenses					
Cost of real estate sales and services	4,808,420,850	272,728,398	352,043,445	–	5,433,192,693
General, administrative and selling expenses	2,433,141,793	85,234,957	242,058,512	(67,530,194)	2,692,905,068
Operating income	602,955,069	42,047,962	606,264,644	67,530,194	1,318,797,869
Other income (expenses)					
Interest and other income	777,312,014	–	237,125,618	(379,237,142)	635,200,490
Interest and other financing charges	(573,977,733)	(13,908)	(320,600,434)	–	(894,592,075)
Income before income tax	806,289,350	42,034,054	522,789,828	(311,706,948)	1,059,406,284
Provision for income tax	(193,021,840)	15,287,101	(11,718,677)	(20,246,448)	(209,699,864)
Net income	₱999,311,190	₱26,746,953	₱534,508,505	(₱291,460,500)	₱1,269,106,148
Segment assets	₱58,301,853,163	₱260,448,115	₱16,686,161,746	(₱20,768,717,921)	₱54,479,745,103
Deferred tax assets	–	15,317,377	–	11,447,068	26,764,445
Total Assets	₱58,301,853,163	₱275,765,492	₱16,686,161,746	(₱20,757,270,853)	₱54,506,509,548
Segment liabilities	₱30,158,319,381	₱216,275,707	₱10,447,703,676	(₱11,314,360,361)	₱29,507,938,403
Deferred tax liabilities	1,808,785,268	80,361	859,287,323	(20,246,448)	2,647,906,504
Total Liabilities	₱31,967,104,649	₱216,356,068	₱11,306,990,999	(₱11,334,606,809)	₱32,155,844,907

32. Other Current and Noncurrent Liabilities

Liabilities to Preferred Shareholders of a Subsidiary

The Group's liabilities to preferred shareholders of a subsidiary represent the liability portion of the proceeds from the sale of preferred shares of CALC. CALC's preferred shares are considered compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including twenty-eight (28) free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e., share in the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

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 owned by CALC in 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.

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 CALC. The share of a preferred shareholder in the Net Room Rental Revenue shall be payable annually or subject to the terms and conditions of optional payment term extension program availed of by a subscriber. 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:

Class of Preferred Shares	**Corresponding Attributable SQM**
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.

For preferred shareholders who have not fully paid the subscription price of their preferred shares upon turn-over, the annual NRRR shall be applied quarterly as credits towards the investor's outstanding balance until the investor's outstanding balance is fully paid up.

Total liabilities to preferred shareholders of CALC presented under financial statement caption "Other noncurrent liabilities" amounted to ₱948.32 million and ₱951.92 million as of December 31, 2023 and 2022, respectively.

Movements on the liabilities on preferred shares subscriptions are as follows:

	2023	2022
Balance at January 1	**₱951,925,494**	₱1,037,846,482
Collections	**10,280,479**	22,321,078
Interest Income (Note 24)	**(11,342,261)**	–
Returns of deposits	**(2,546,502)**	(50,324,273)
Forfeited deposits	–	(3,737,399)
Transfer to preferred shares (equity portion)	–	(54,180,394)
Balance at December 31	**₱948,317,210**	₱951,925,494

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

	Number of Shares				
Class of shares	Preferred A shares	Preferred B shares	Preferred C shares	Preferred D shares	Total
Authorized shares	6,344	520	520	520	7,904
Par value in ₱	10	100	1,000	10,000	
Subscribe shares at December 31, 2020	6,149	481	520	247	7,397
Subscription during 2021	–	–	–	–	–
Cancellation of shares	(520)	(52)	(39)	(104)	(715)
Number of shares at December 31, 2021	5,629	429	481	143	6,682
Subscription during 2022	–	–	–	–	–
Cancellation of shares	(169)	(39)	(39)	–	(247)
Number of shares at December 31, 2022	5,460	390	442	143	6,435
Subscription during 2023	–	–	–	–	–
Cancellation of shares	(13)	–	–	–	(13)
Number of shares at December 31, 2023	5,447	390	442	143	6,422

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 ₱59.85 million and ₱61.34 million and "Other noncurrent liabilities" amounting to ₱645.44 million and ₱769.13 million as of December 31, 2023 and 2022, respectively (see Note 28).

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 ₱14.00 million and ₱6.81 million and "Other noncurrent liabilities" amounted to ₱98.02 million and ₱68.15 million as of December 31, 2023 and 2022, respectively (see Note 28).

33. Contingencies

The Group is contingently liable for lawsuits or claims filed by third parties (substantially civil cases that are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable). In the opinion of management and its legal counsels, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims or assessments. No provisions were recognized in 2023, 2022 and 2021 with respect to the foregoing matters.

34. **Notes to Consolidated Statements of Cash Flows**

Below are the noncash transactions not included in the adjustments for income before tax in the consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021:

a. Write off of due from related parties amounting to ₱12.83 million in 2023 (see Note 21 and16)

b. Transfer of property plant and equipment to real estate property amounting to ₱1,152.68 million in 2023 (see Notes 7 and Note 12)

c. Deposit for purchase land amounting to ₱297.68 million and ₱30.16 million converted to inventories in 2023 and 2023 (see Notes 7 and 9).

d. Amortization of deferred financing costs amounting to ₱68.56 million, ₱113.99 million and ₱89.54 million in 2023, 2022 and 2021, respectively (see Notes 17 and 19).

e. Additions to right-of-use assets and increase in lease liabilities amounting ₱27.76 million, nil and ₱76.29 million in 2023, 2022 and 2021, respectively (see Note 12).

f. Transfer from investment property to real estate property amounting to ₱1,039.60 million in 2022 (see Notes 7 and 11).

g. Transfer from investment property to property and equipment amounting to ₱556.82 million in 2022 (see Notes 11 and 12).

h. Reclassification of Deposit for Preferred Shares Subscription to non-controlling interest amounting to ₱54.18 million in 2022 (see Notes 21 and 33).

i. Advances to landowners amounting to ₱419.23 million converted to inventories in 2022 (see Notes 7 and 13).

Changes in liabilities and other accounts arising from financing activities

	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**	**(₱96,678,085)**	**(₱27,140,500)**	**₱26,259,836**	**₱–**	**₱–**	**₱ 11,143,898,103**
Bonds payable	**5,917,253,923**	**3,000,000,000**	**(82,114,920)**	**42,298,101**	**–**	**–**	**8,877,437,104**
Non-controlling interest	**2,312,344,491**	**(2,000,050,000)**	**–**	**–**	**–**	**(258,114,097)**	**54,180,394**
Due to related parties	**358,060,626**	**26,036,467**	**–**	**–**	**–**	**–**	**384,097,093**
Dividends payable	**52,980,640**	**(291,624,159)**	**–**	**–**	**241,241,410**	**(2,597,891)**	**–**
Lease liabilities	**27,732,190**	**(15,407,317)**	**–**	**–**	**–**	**21,884,433**	**34,209,306**
Liabilities to preferred shareholders of a subsidiary	**951,925,495**	**7,733,977**	**–**	**–**	**–**	**(11,342,261)**	**948,317,211**
Redemption of preferred shares	**–**	**(3,000,000,000)**	**–**	**–**	**–**	**–**	**(3,000,000,000)**
Deferred financing costs	**–**	**(109,255,420)**	**109,255,420**	**–**	**–**	**–**	**–**
	₱20,861,754,217	**(₱2,479,244,537)**	**₱–**	**₱68,557,937**	**₱241,241,410**	**(₱250,169,816)**	**₱18,442,139,211**

	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
Liabilities to preferred shareholders of a subsidiary	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

	2021						
	Beginning of the year	Cash flows	Acquisition of NCI	Amortization of discount	Dividend declaration	Other movements	End of the year
Short-term and long-term debts	₱15,668,124,400	(₱3,386,174,059)	(₱22,743,202)	₱47,760,295	₱–	₱–	₱12,306,967,434
Bonds payable	3,084,766,287	2,880,890,000	(60,242,941)	41,782,082	–	–	5,947,195,428
Non-controlling interest	1,271,816,572	40,000,000	–	–	–	318,355,718	1,630,172,290
Due to related parties	270,006,022	47,352,712	–	–	–	–	317,358,734
Dividends payable	215,064,276	(327,440,181)	–	–	165,356,546	–	52,980,641
Lease liabilities	4,525,606	(23,678,500)	–	–	–	76,292,857	57,139,963
Deferred financing costs	–	(82,986,143)	82,986,143	–	–		–
	₱20,514,303,163	(₱852,036,171)	₱–	₱89,542,377	₱165,356,546	₱394,648,575	₱20,311,814,490

35. **Events After the Reporting Date**

Public Offering of Preferred Shares
On January 5, 2023, SEC approved the Group's application for the Primary Offer of up to 30,000,000 Series B Preferred Shares with an Oversubscription Option of up to 20,000,000 Series B Preferred Shares (the "Offer Shares") at an offer price of One Hundred Pesos (Php100.00) per share.

On February 22, 2024, the Group listed and traded on the Main Board of The Philippine Stock Exchange, Inc. it's 20,000,000 perpetual, cumulative, non-participating, non-voting, redeemable, non-convertible Series B Preferred Shares with an initial Dividend Rate of 7.5432% per annum at an Offer Price of Php100.00 per share.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Century Properties Group Inc.
35F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, 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 consolidated financial statements.

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
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Century Properties Group Inc.
35/F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on 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 Financial Reporting Standards (PFRSs), 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 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 consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

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Partner
CPA Certificate No. 95198
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Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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

The Stockholders and the Board of Directors
Century Properties Group Inc.
35F Century Diamond Tower, Century City
Kalayaan Ave. cor Salamanca St.
Poblacion, Makati City

We have audited in accordance with Philippine Standard on Auditing, the consolidated financial statements of Century Properties Group Inc. and its subsidiaries (the Group) as at December 31, 2023 and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated April 4, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as whole. The Group's schedule of reconciliation of retained earnings available for dividend declaration is the responsibility of the Group's management. The schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, 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 consolidated financial statements.

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
BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082036, January 6, 2024, Makati City

April 4, 2024

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SCHEDULE A

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
DECEMBER 31, 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	₱–	₱3,543,351,959	₱141,121,987
Short-term investments		18,258,017	4,243,625
Receivables			
Trade receivables:			
ICR	–	10,513,080,456	93,748,890
Leasing receivables	–	433,567,822	–
Management fee	–	191,548,312	–
Advances to condominium corporations	–	113,681,294	–
Advances to customers	–	130,572,262	–
Other receivables	–	202,299,203	–
Due from related parties	–	1,578,677,372	–
Rental deposit	–	94,247,911	–
	₱–	**₱16,819,284,608**	**₱239,114,502**

SCHEDULE B

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

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

DECEMBER 31, 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	₱8,490,564	₱1,133,899	(₱493,971)	₱9,130,492	₱–	₱9,130,492

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2023

	Receivable Balance	Payable Balance	Current Portion
CPGI	**₱10,065,843,663**	**(₱286,846,959)**	**₱9,778,996,704**
CLC	**919,775,363**	**(9,280,293,926)**	**(8,360,518,563)**
PPHI	**810,621,487**	**(10,126,762)**	**800,494,725**
CCDC	**5,708,043,800**	**(6,466,358,204)**	**(758,314,404)**
CCC	**50,000**	**(1,232,573,042)**	**(1,232,523,042)**
CPMI	**49,347,739**	**(23,597,970)**	**25,749,769**
CDLC	**–**	**(253,885,189)**	**(253,885,189)**
Total Eliminated Receivables/Payables	**₱ 17,553,682,052**	**(₱17,553,682,052)**	**₱–**

SCHEDULE D

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
DECEMBER 31, 2023

Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Trademark	₱3,024,289	₱–	₱–	₱–	₱–	₱3,024,289
Software Cost	39,317,744	12,687,025	(11,717,887)	–	–	40,286,882
	₱42,342,033	₱12,687,025	(₱11,717,887)	₱–	₱–	₱43,311,171

SCHEDULE E

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT AND BONDS PAYABLE

DECEMBER 31, 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	₱9,045,691,229	₱3,131,607,081	₱5,914,084,148
Payable under CTS financing	1,306,542,403	720,290,023	586,252,380
Bonds payable	8,877,437,104	3,000,000,000	5,877,437,104
	₱19,229,670,736	₱6,851,897,104	₱12,377,773,632

SCHEDULE F

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 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	

SCHEDULE G

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 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
		N/A		

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
DECEMBER 31, 2023

Capital Stock						
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 Stock*	15,000,000,000	11,599,600,690	–	–	9	–

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

CENTURY PROPERTIES GROUP INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		**₱210,150,500**
Add: Net income (loss) actually earned/realized during the period		
Net income (loss) during the period closed to Retained Earnings	**₱264,942,863**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture		
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Unrealized actuarial gain		
Fair value adjustment (M2M gains)		
Fair value adjustment of Investment Property resulting to gain		
Adjustment due to deviation from PFRS/GAAP-gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		
Sub-total		
Add: Non-actual/Unrealized Losses		
Depreciation on revaluation increment (after tax)		
Adjustment due to deviation from PFRS/GAAP – loss		
Loss on fair value adjustment of investment property (after tax)		
Net Income Actual/Realized		**264,942,863**
Add(Less):		
Dividend declarations during the period	**(241,241,407)**	
Appropriations of Retained Earnings during the period		
Reversals of appropriations		
Effects of prior period adjustments		
Treasury shares (redeemable pref. shares)	**(3,000,000,000)**	**(3,241,241,407)**
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND		**(₱2,766,148,044)**

SCHEDULE J

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL RATIOS
DECEMBER 31, 2023

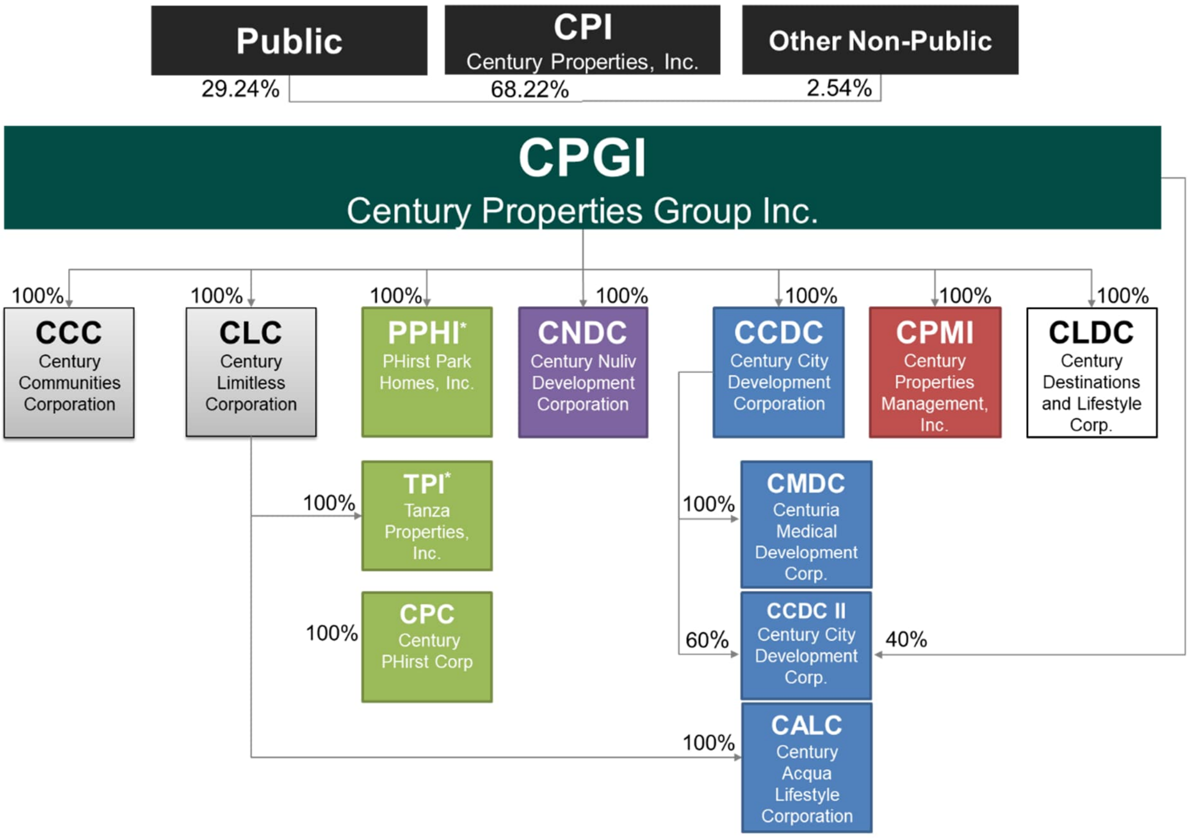
Financial ratios	December 31, 2023	December 31, 2022
Current/Liquidity Ratios		
Current Assets	37,948,003,525	36,103,684,078
Current Liabilities	18,311,592,815	10,768,820,128
Current Ratios	**2.1**	**3.4**
Current Assets	37,948,003,525	36,103,684,078
Inventory	18,832,235,203	17,723,397,564
Quick Assets	19,115,768,322	18,380,286,514
Current Liabilities	18,311,592,815	10,768,820,128
Quick Ratios	**1.0**	**1.7**
Liabilities and Debt Ratios		
Short-term debt	791,664,471	235,141,310
Long-term debt - Current	3,851,897,104	2,192,453,618
Long-term debt - non-current	6,500,336,528	8,813,861,924
Bonds payable	8,877,437,104	5,917,253,923
Debt	**20,021,335,207**	**17,158,710,775**
Equity	**20,304,338,429**	**23,792,541,874**
Debt-to-Equity	**1.0**	**0.7**
Debt	20,021,335,207	17,158,710,775
Cash and Cash Equivalents	3,543,351,959	4,130,877,582
Net Debt	**16,477,983,248**	**13,027,833,193**
Equity	**20,304,338,429**	**23,792,541,874**
Net Debt-to-Equity	**0.8**	**0.5**
Debt	20,021,335,207	17,158,710,775
EBITDA	3,367,875,391	2,475,710,468
Debt-to-EBITDA	**5.9**	**6.9**
Income before Income Tax	2,196,835,693	1,623,732,841
Interest expense	1,089,163,808	795,984,164
Depreciation and amortization	81,875,890	55,993,463
EBITDA	**3,367,875,391**	**2,475,710,468**
Asset to Equity Ratios		
Total Assets	55,385,411,059	53,931,100,449
Total Equity	20,304,338,429	23,792,541,874
Asset to Equity Ratio	**2.7**	**2.3**
Liabilities to Equity Ratios		
Total Liabilities	35,081,072,630	30,138,558,574
Total Equity	20,304,338,429	23,792,541,874
Liabilities to Equity Ratio	**1.7**	**1.3**

Financial ratios	December 31, 2023	December 31, 2022
Profitability ratios		
Revenue	12,701,416,652	11,126,646,235
Gross Profit	5,929,314,100	4,810,221,057
Gross Profit Ratio	**47%**	**43%**
Net Income Attributable to Equity holders of the Parent Company	1,321,395,610	1,321,395,610
Revenue	12,701,416,652	11,126,646,235
Net Income Margin	**10.40%**	**8.10%**
Total Net Income after tax	**1,854,643,360**	**1,404,759,079**
Total Asset CY	55,385,411,059	53,931,100,449
Total Asset PY	53,931,100,448	54,506,509,548
Average total asset	**54,658,255,754**	**54,218,804,999**
Return on Asset	**3.4%**	**2.6%**
Total Net Income after tax	**1,854,643,3660**	**1,404,759,079**
Total Equity CY	20,304,338,429	23,792,541,874
Total Equity PY	23,792,541,874	22,350,664,641
Average total equity	**22,048,440,152**	**23,071,603,258**
Return on Equity	**8.4%**	**6.1%**
Net Income	1,854,643,3660	1,404,759,079
Revenue	12,701,416,652	11,126,646,235
Net Income Margin	**14.6%**	**12.6%**

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

DECEMBER 31, 2023



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) – is a wholly owned subsidiary of CCDC. Affiliated company under CCDC includes CCDC II which is 60% owned by CCDC and 40% owned by CPGI.

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-hec 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 caters 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. 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. PPHI is 100%owned by CPGI.

Century Nuliv Development Corporation (CNDC) –incorporated in 2020, is Century's newest brand catergory 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.

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

SCHEDULE OF BONDS PROCEEDS
DECEMBER 31, 2023

₱3.0 BILLION BONDS DUE ON 2024

Use of Proceeds	ESTIMATED PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of Bonds	**₱3,000,000,000**	**₱3,000,000,000**
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
Subtotal	**₱55,818,725**	**₱60,777,000**
Net proceeds	**₱2,944,181,275**	**₱2,939,223,000**

Balance of Proceeds as of December 31, 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
Estimated proceeds from the sale of Bonds	**₱3,000,000,000**	**₱3,000,000,000**
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
Subtotal	**₱55,818,725**	**₱69,907,011**
Net proceeds	**₱2,944,181,275**	**₱2,930,092,989**

Balance of Proceeds as of December 31, 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.

CENTURY PROPERTIES GROUP INC. AND SUBSIDIARIES

SCHEDULE OF BONDS PROCEEDS

December 31, 2023

₱3.0 BILLION BONDS

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

Use of Proceeds	ESTIMATED PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of Bonds	**₱3,000,000,000**	**₱3,000,000,000**
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
Subtotal	**₱55,790,530**	**₱53,634,450**
Net proceeds	**₱2,944,209,470**	**₱2,946,365,550**

Balance of Proceeds as of December 31, 2023 **NIL**