

1. Approval of proposed reallocation of IPO proceeds

BACKGROUND: In its IPO prospectus, CLI identified several properties it planned to acquire using the IPO proceeds. Most of these acquisitions were fulfilled as scheduled, except for the following:

Allocation	Purpose
Php60 Million	For a property in Jaro, Iloilo, which was under negotiation at the time of IPO application. To date, about Php51,000.00 of this allocation has been used up for technical assessment expenses (e.g. topographic survey).
Php150 Million	For a property in Cagayan de Oro City, Misamis Oriental of which an earnest money had been paid at the time of IPO application.
Php400 Million	For a possible hotel project in Mactan, Cebu, the site of which was still undergoing evaluation at the time of IPO application. Of this amount, Php100 million was previously re-allocated in Q3 2017 for investment in joint ventures.
Php30 Million	For a property in Bogu City, Cebu, which was also under negotiation at the time of IPO application.

Of the properties above, CLI managed to acquire those in Cagayan de Oro and Bogu as planned with a realized savings of Php12,937,485 and Php5,938,915, respectively. The other two, however, have taken an inordinate amount of time to close, thus a reallocation is recommended if CLI were to remain on-schedule in disbursing all IPO proceeds within the first-half of 2018.

ACTION TAKEN: The Board agreed to reallocate Php378,825,400 (inclusive of the savings from CDO and Bogu properties) for other land acquisitions and investments in Visayas and Mindanao. For the information of the Exchange and the investing public, CLI has been approached and is now in serious negotiation to redevelop a 16-hectare property near the Davao international airport. It is also part of a consortium proposing to convert into a master-planned central business district the existing 22-hectare golf course and adjacent properties in Matina, Davao. Two prime properties in Cebu City have also opened for acquisition after the IPO, which undoubtedly enhanced CLI's market visibility and stature.

All of these projects present a unique, but opportune time for CLI to boost its prime landholdings without departing too far from its IPO disbursement schedule and "landbank lite" strategy. While it remains committed to pursue a hotel project in Mactan, Cebu and enter the vibrant property market in Iloilo, management would like the flexibility to pounce on other opportunities that will equally bring long-term sustainability and shareholder value. The proposed reallocation will help accomplish these objectives.