

COVER SHEET

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(Company Name)

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(Business Address: No. Street/City/Province)

Atty. Larri-Nil G. Veloso Contact Person
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032-318-8776 Company Telephone Number

1	2	Month
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3	1	Day
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20-IS Form Type

0	6	Month
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0	3	Day
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Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings P1,624,820,827.00 Domestic
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P34,359,173.00 Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

_____ Cashier

SEC Number: CS200321240
File Number: _____

CEBU LANDMASTERS, INC.

(Company's Full Name)

**10TH FLOOR, PARK CENTRALE, B2 L3,
JOSE MA. DEL MAR ST.,
CEBU IT PARK, APAS, CEBU CITY**

(Company Address)

(032) 231-4914

(Telephone Number)

December 31, 2019

(Fiscal Year Ended)

**SEC Form 20-IS
Definitive Information Statement**

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
[] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its charter **CEBU LANDMASTERS, INC.**
3. **CEBU, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS200321240**
5. BIR Tax Identification Code **227-599-320-000**
6. **10F Park Centrale, J.M. Del Mar St., Cebu I.T. Park, Apas, Cebu City** **6000**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(032) 231-4914**
8. **03 June 2020, 9:00 A.M., Cebu City, Philippines**
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders **11 May 2020**

10. **In case of Proxy Solicitations:**

Name of Person Filing the Statement/Solicitor: NOT APPLICABLE

Address and Telephone No.: NOT APPLICABLE

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding	
	2018	2019
<u>Common Shares - Outstanding</u>	<u>1,662,950,000 shares</u>	<u>1,659,180,000 shares</u>
<u>Common Shares – Treasury</u>	<u>51,050,000 shares</u>	<u>54,820,000 shares</u>

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange – Common Stocks

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PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

DATE: 03 June 2020
TIME: 9:00AM
VENUE: Citadines, Cebu City
Base Line Center, Juana Osmeña St.,
Cebu City, 6000 Philippines

A copy of the Notice of Meeting, which was published on the Business Section of the Philippine Daily Inquirer on 11-12 May 2020 in compliance with SEC Notice dated 30 April 2020, is attached herewith and made integral hereof as Annex "D".

Item 2. Dissenters' Right of Appraisal

Under Sections 40 and 80 of the Revised Corporation Code of the Philippines (R.A. 11232), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- (c) In case of merger or consolidation; and
- (d) Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized.

There are no matters to be acted upon in this year's Annual Stockholders Meeting that may give rise to the exercise of appraisal rights by stockholders in accordance with the afore-quoted provisions of the Revised Corporation Code.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) None of CLI's directors, nor any nominees to the Board this year or their associates has any substantial interest in any of the matters to be acted upon in this Annual Stockholders Meeting nor do such matters pose any conflict of interest situation for any of the foregoing individuals that require disclosure under this item.
- (b) None of CLI's Directors is opposing any action to be taken by the Company in this Annual Stockholders Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) **Number of Outstanding Shares as of 31 March 2020**

COMMON SHARES:	1,659,180,000
PREFERRED SHARES:	54,820,000

(b) **RECORD DATE: 01 May 2020**

Per resolution of the Board during its special meeting on 07 April 2020, all CLI shareholders as of 01 May 2020 are entitled to attend and vote at this Annual Stockholders Meeting.

(c) **Manner of Voting**

Each holder of CLI shares is entitled to one (1) vote for every share in accordance with Section 7, Article III of CLI's By-laws as amended on 01 July 2016.

For the election of Board directors, holders of CLI stocks as of the record date of 01 May 2020 may vote their shares by way of "cumulative voting for one candidate" or "cumulative voting by distribution" – all in keeping with Sec. 23 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines.

In "cumulative voting for one candidate", a holder of CLI stocks may lump and vote all of his/her cumulative shares for one candidate such that if he/she owns 1,000 shares and there are nine (9) directors standing for election, he/she may cast all of his/her 9,000 votes in favor of one candidate. In "cumulative voting by distribution", he/she may cast his/her 9,000 votes among two or more candidates equally or some other proportion at his/her discretion. The Company sets no condition-precedent for the exercise of one voting method over the other since these options are provided for by law.

Consistent with Sec. 57 of the Revised Corporation Code, stockholders may vote in person or by proxy in all meetings of stockholders.

Proxies shall be in writing, signed and filed by the stockholder in any form authorized by the corporate by-laws and received by the Corporate Secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

As of the moment, voting through remote communication or *in absentia* is not yet authorized in the Company's by-laws or by the majority of the board of directors. However, stockholders or their proxies who wish to join this Annual Stockholders Meeting remotely can send their ballots or proxy forms, where they can indicate their votes on every agenda item, to the Corporate Secretary on or before 20 May 2020 so that such votes can be counted prior to the meeting. A copy of the ballots and proxy forms are attached herewith as Annexures "B", "C", and "D".

As regards treasury shares, pursuant to Sec. 56 of the Revised Corporation Code, the same shall have no voting right as long as they remain in the treasury.

(d) **Security Ownership of Certain Record and Beneficial Owners**

Below are the holders and/or beneficial owners of CLI shares of stock as of the filing hereof.

Class	Name, Address of Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Total Outstanding
Common	<p>AB Soberano Holdings Corp.</p> <p>Address: 2nd Street Villa San Lorenzo, Quijada Street, Guadalupe, Cebu City 6000</p> <p>Relationship with CLI: Parent Company</p>	<p>AB Soberano Holdings Corp.</p> <p>(Direct)</p>	Filipino	994,395,197	58.01%
Common	<p>PCD NOMINEE CORP. (FILIPINO)</p> <p>Address: 37/F Tower I, The Enterprise Center 6766 Ayala Ave. cor. Paseo de Roxas Makati City</p> <p>Relationship with CLI: None</p>	<p>PCD participants acting for themselves or for their customers</p> <p>(Indirect)</p>	Filipino	663,440,577	38.71%
Common	<p>PCD NOMINEE CORP. (NON-FILIPINO)</p> <p>Address: 37/F Tower I, The Enterprise Center 6766 Ayala Ave. cor. Paseo de Roxas Makati City</p> <p>Relationship with CLI: None</p>	<p>PCD participants acting for themselves or for their customers</p> <p>(Indirect)</p>	Others	34,359,173	2.01%
Common	<p>Jose R. Soberano III (Direct)</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada, St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Chairman of the Board,</p>	<p>Jose R. Soberano III</p> <p>(Direct)</p>	Filipino	14,000,000	0.82%

	President, and CEO of CLI. He is nominated as Director for the election in the annual stockholders meeting.				
Common	<p>Jose Franco B. Soberano</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada, St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Director, Executive Vice-President, Chief Operating Officer of CLI. He is nominated as Director for the election in the annual stockholders meeting.</p>	<p>Jose Franco B. Soberano</p> <p>(Direct)</p>	Filipino	3,250,000	0.19%
Common	<p>Janella Mae B. Soberano</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada, St., Guadalupe, Cebu City</p> <p>Relationship with CLI: Director of CLI. She is nominated as Director for the election in the annual stockholders meeting.</p>	<p>Janella Mae B. Soberano</p> <p>(Direct)</p>	Filipino	2,250,000	0.13%
Common	<p>Joanna Marie B. Soberano</p> <p>Address: #2 Villa San Lorenzo, Don Gervacio Quijada, St., Guadalupe, Cebu City</p>	<p>Joanna Marie B. Soberano</p> <p>(Direct)</p>	Filipino	2,250,000	0.13%

	Relationship with CLI: Director and Vice-President for Marketing of CLI. She is nominated as Director for the election in the annual stockholders meeting.				
Common	Marietta V. Cabreza Address: Imus City, Cavite Relationship with CLI: None	Marietta V. Cabreza (Direct)	Filipino	10,000	0.00%
Common	Lolita Siao-Ignacio Address: Muntinlupa City Relationship with CLI: None	Lolita Siao-Ignacio (Direct)	Filipino	10,000	0.00%
Common	Milagros P. Villanueva Address: Pasay City Relationship with CLI: None	Milagros P. Villanueva (Direct)	Filipino	10,000	0.00%
Common	Myrna P. Villanueva Address: Pasay City Relationship with CLI: None	Myrna P. Villanueva (Direct)	Filipino	10,000	0.00%
Common	Myra P. Villanueva Address: Makati City Relationship with CLI: None	Myra P. Villanueva (Direct)	Filipino	15,000	0.00%
Common	Owen Nathaniel S AU ITF: LI MARCUS AU	Owen Nathaniel S AU ITF: LI MARCUS AU (Indirect)	Filipino	50	0.00%
Common	Jesus N. Alcorido Address: 507	Jesus N. Alcorido	Filipino	1	0.00%

	Balitok St., Ayala Alabang Village, Muntinlupa City Relationship with CLI: Former Independent Director of CLI	(Direct)			
Common	Ma. Aurora D. Geotina-Garcia Address: 27 Sanson St., Corinthian Gardens, Quezon City Relationship with CLI: Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.	Ma. Aurora D. Geotina-Garcia (Direct)	Filipino	1	0.00%
Common	Rufino Luis T. Manotok Address: 133 Rizal St., Ayala Southvale Village, Bacoor, Cavite Relationship with CLI: Independent Director of CLI and nominated as such for the election in the annual stockholders meeting.	Rufino Luis T. Manotok (Direct)	Filipino	1	0.00%
TOTAL				1,714,000,000	100%

In all stockholders meeting, both regular and special, the Company shares held by AB Soberano Holdings Corp. are to be voted by JOSE FRANCO B. SOBERANO who is one of its directors.

Meanwhile, there are two (2) companies under the PCD Nominee Corp. that hold at least five percent (5%) of CLI's shares as of record date of 01 May 2020, namely Social Security System and BDO Securities Corporation. The Company has no information as to who would vote in their behalf since both have not sent their proxy forms to the Corporate Secretary as of this writing.

(e) **Voting Trust Holders of 5% or More**

To the best of the Company's knowledge, none of its security holders has created a voting trust for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to their shares as described and allowed under Sec. 58 of the Revised Corporation Code (R.A. 11232). As such, the other details required by this section is not applicable for purposes of this information statement.

(f) **Change in Control of the Registrant since the Beginning of its last Fiscal Year**

None.

Item 5. Directors and Executive Officers

(i) **Information about Directors**

At present, the Board consists of nine members, including three independent directors in accordance with the requirements of the Securities Regulation Code and the SEC's New Code of Corporate Governance for Publicly Listed Companies. All of the Company's incumbent directors, including its independent directors, were elected at the Company's annual stockholders' meeting held on 28 May 2019 and will continue to serve as such until the next annual stockholders meeting or until their successors have been duly elected and qualified.

Members of the Board of Directors

Name	Age	Position	Citizenship
Jose R. Soberano III	64	Chairman of the Board, CEO and President	Filipino
Ma. Rosario B. Soberano	61	Director, Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	34	Director, Executive Vice-President, and Chief Operating Officer	Filipino
Joanna Marie B. Soberano	32	Director, Vice-President for Marketing	Filipino
Beauregard Grant L. Cheng	39	Director and Chief Financial Officer	Filipino
Stephen A. Tan	63	Non-Executive Director	Filipino
M. Jasmine S. Oporto	59	Independent Director	Filipino
Rufino Luis Manotok	69	Independent Director	Filipino
Ma. Aurora D. Geotina-Garcia	67	Independent Director	Filipino

Jose R. Soberano III, 64, Filipino, has been the Company's Chairman, Chief Executive Officer, and President since its incorporation. He obtained a Bachelor of Arts degree in Economics from the Ateneo De Manila University in 1976 and completed the Strategic Business Economics Program at the University of Asia and Pacific in 2000. In 2015, he completed the Advanced Management Development Program in Real Estate from the Harvard University Graduate School. He previously worked for the Ayala Group of Companies for over 23 years, including various stints in Ayala Investment, Bank of the Philippine Islands, and in Ayala Land, Inc. where he was appointed Senior Division Manager in 1997. He was Vice-President of Cebu Holdings, Inc., the pioneer Ayala Land subsidiary in Cebu City when he resigned in 2000 from Ayala. He served as President of the Rotary Club of Cebu in 2011, and President of the Chamber of Real Estate Builders Association-Cebu (CREBA-Cebu) in 2010. He is currently Chairman of the Board of the Center for Technology and Enterprise, a socially oriented instruction that offers technical training to less privileged youth. Mr. Jose R. Soberano III has more

than 20 years of experience in managing and heading companies engaged in real estate development.

Ma. Rosario B. Soberano, 61, Filipino, has served as the Director, Treasurer, and Executive Vice-President of the Company since 2003. She received a Bachelor of Science major in Accountancy degree in 1979 (summa cum laude) from St. Theresa's College in Cebu and is a certified public accountant. She obtained a Master's Degree in Business Administration from the University of the Philippines - Cebu in 1983. She is the wife of the Company's Chairman, President, and CEO.

Jose Franco B. Soberano, 34, Filipino, has served as Director, Chief Operating Officer, and Executive Vice-President since 2010. He received a Bachelor of Science degree in Management, major in Legal Management and minor in Finance, from the Ateneo de Manila University in 2007. In 2012, he obtained a Master's Degree in Real Estate Development from Columbia University in New York City. Prior to joining the Company, he was a Project Manager at Hewlett-Packard Asia Pacific (HK). Ltd. He is a founding member of the Global Shapers - Cebu Hub, an initiative of the World Economic Forum, and is a Past President of the Sacred Heart School - Ateneo de Cebu Alumni Association. He is the eldest son of Jose R. Soberano III and Ma. Rosario Soberano.

Joanna Marie B. Soberano-Bergundthal, 32, Filipino, has served as Director of the Company since 2010, and joined the Company as Vice-President and Marketing Director in July 2016. She earned from the University of Asia and the Pacific both her Bachelor and Master of Arts in Communication, Major in Integrated Marketing Communication in 2008 and 2009, respectively. She graduated top of her class in 2008. Prior to joining the Company, she was a Marketing Manager of the Global Team of Nestle based in Switzerland from June 2014 to August 2015 and Marketing Project Manager based in Thailand from August 2015 to June 2016. From October 2013 to May 2014, she worked as a Marketing Manager of Nestle Philippines. She is the daughter of the Company's Chairman, President, and CEO and Treasurer and Executive Vice-President.

Beauregard Grant L. Cheng, 39, Chinese, a registered CFA Charterholder, joined the Company as Deputy Chief Financial Officer in April 2019. He obtained his Bachelor of Science in Manufacturing Engineering and Management degree from De La Salle University, Manila (Magna Cum Laude) in 2004 and studied MSc. Wealth Management from 2006 to 2007 at Singapore Management University. Mr. Cheng previously worked with BDO Capital as Deal Manager from April 2015 to March 2019; Universal Harvester, Inc. as Chief Financial Officer from July 2013 to March 2015; Private Banker, EFG Bank Singapore as Vice-President from 2010 to June 2013; Commerzbank AG, Singapore as Wealth Management Advisor from 2008 to 2010; Asia Private Banking, Singapore as Investment Counselor from 2006 to 2008; and Procter & Gamble as Project Manager from 2004 to 2006. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Stephen A. Tan, 63, Filipino, is the former Chief Financial Officer of the Company. A Certified Public Accountant, he is a holder of Masters in Business Administration, with distinction, from Katholieke Universiteit te Leuven in Belgium and Bachelor of Science in Management Engineering from Ateneo de Manila University. He earned his degree in Accounting from the University of San Carlos. Prior to working with the Company, he had served as Chief Financial Officer of a number of companies like Aboitiz Construction Group, Inc., FBMA Marine, Inc., Aboitizland, Inc., InfoWeapons Corporation, Pilmico Food Corporation, among others. He was also a part-time instructor for more than 30 years, teaching at the University of San Carlos and University of the Philippines. He is not related within the fourth civil degree either by

consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Rufino Luis T. Manotok, 69, Filipino, joined as one of the Company's Independent Directors in February 2017. He finished Advanced Management Program of Harvard Business School in 1994. He earned his Master of Business Management degree from the Asian Institute of Management in 1973, and Bachelor of Arts, major in Economics from Ateneo de Manila University in 1971. He is currently an Independent Director of First Metro Investment Corporation and was the Chairman and President of Ayala Automotive Holdings Corporation from 2009 to 2012. From 2007 to 2009, he was Ayala Corporation's Senior Managing Director, Chief Financial Officer and Chief Information Officer. He was Managing Director, heading Strategic Planning Group of Ayala Corporation from 1998 to 2006. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

Ma. Aurora D. Geotina-Garcia, 67, Filipino, joined as one of the Company's Independent Directors in February 2017. She received her Bachelor of Science in Business Administration and Accountancy degree from the University of the Philippines in 1973. She completed her Master of Business Administration from the same university in 1978. She headed SGV & Co.'s Global Corporate Finance Division from 1992 until her retirement from the partnership in 2001. She was a Senior Adviser to SGV & Co. from the time of her retirement until September 2006. She has served as a consultant to businesses and the government for over 30 years in the area of corporate finance. She is the President of Mageo Consulting Inc. since March 2014 and CIBA Capital Philippines Inc. since December 2008. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors of the Company.

M. Jasmine S. Oporto, 59, Filipino, joined the Board as Independent Director on August 4, 2018. She was previously the Chief Compliance Officer of Aboitiz Equity Ventures, Inc. from November 2005 until March 1, 2018. During her tenure there, she held various offices, among them, as Senior Vice President (until March 1, 2018), Chief Legal Officer (until July 11, 2016), and Corporate Secretary (from May 17, 2004 to March 1, 2018). She also served as the Corporate Secretary of Luzon Hydro Corporation (LHC), Visayan Electric Company, Inc., (VECO) and Hijos de F. Escaño. She previously served as General Counsel and First Vice President for Legal and Corporate Services at ACO (Aboitiz & Company, Inc.), and Vice President for Legal Affairs of Davao Light and Power Co., Inc. (DLPC). Prior to joining the Aboitiz group, she worked in various capacities at the Hong Kong office of Kelley Drye & Warren, LLP, a New York-based law firm and the Singapore-based consulting firm Albi Consulting Pte. Ltd. Atty. Oporto earned her Bachelor of Science degree in Landscape Architecture (Cum Laude) and Bachelor of Laws from the University of the Philippines. She is a member of both the Philippine and New York bar associations and placed No. 3 in the 1988 Philippine Bar Examinations.

(ii) **Re-election of Directors**

During its meeting on 07 April 2020, the Nomination Committee formally nominated the above directors to stand for re-election in the next Annual Stockholders Meeting on 03 June 2020. All nominees have accepted their nomination. CLI's Nomination Committee is chaired by Rufino Luis T. Manotok with Jose R. Soberano III and Ma. Rosario B. Soberano as members.

With respect to the independent directors, they were all nominated by Jose R. Soberano III, the current Chairman of the Board, duly seconded by Ma. Rosario B. Soberano, concurrent Director, Executive Vice-President and Treasurer of the Company. Both have no relations, personal or otherwise, with any or all of the independent directors. If re-elected to the Board, two of the above independent directors will still be on their fourth term and third term for Atty. M. Jasmine S. Oporto

with the Company, thus still compliant with SEC Memorandum Circular No. 24, Series of 2010, which prescribes a maximum cumulative term of nine (9) years for independent directors.

The final nominees are:

Name	Age	Position to be held	Citizenship
Jose R. Soberano III	64	Chairman of the Board, CEO and President	Filipino
Ma. Rosario B. Soberano	61	Director, Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	34	Director, Chief Operating Officer and Executive Vice-President	Filipino
Joanna Marie Soberano-Bergundthal	32	Director, Vice-President for Marketing	Filipino
Stephen A. Tan	63	Non-executive Director	Filipino
Beauregard Grant L. Cheng	39	Director, Chief Financial Officer	Chinese
Rufino Luis Manotok	69	Independent Director	Filipino
Ma. Aurora D. Geotina-Garcia	67	Independent Director	Filipino
M. Jasmine S. Oporto	59	Independent Director	Filipino

(iii) **Information about Key Executives and Officers**

Executive Officers

Name	Age	Position	Citizenship
Jose R. Soberano III	64	President and CEO	Filipino
Ma. Rosario B. Soberano	61	Treasurer and Executive Vice-President	Filipino
Jose Franco B. Soberano	34	Chief Operating Officer and Executive Vice-President	Filipino
Joanna Marie Soberano-Bergundthal	32	Vice-President for Marketing	Filipino
Mathias Ralf Bergundthal	38	Director of Assets for CLI Premier Hotels	Swiss
Janelle Mae B. Soberano	28	Corporate Communications and Customer Relations Head	Filipino
Beauregard Grant L. Cheng	39	Chief Financial Officer	Chinese
Jessel M. Kabigting	50	Vice-President for Operations	Filipino
Larri-Nil G. Veloso	41	Vice-President for Legal	Filipino
Pedrito A. Capistrano, Jr.	56	Vice-President for Engineering	Filipino
Connie N. Guieb	41	Vice-President for Accounting and Financial Comptroller	Filipino
Marie Rose C. Yulo	51	Vice-President for Sales	Filipino
Sylvan John M. Monzon	44	Vice-President for Business Development	Filipino
Mark Leo Chang	41	Assistant Vice-President for Permits and Licenses, Registration and Strategic Landbanking	Filipino
Julieta R. Castanos	40	Assistant Vice-President for Business Development	Filipino

Janella Mae B. Soberano, 28, Filipino, joined the Company as Corporate Communications and Customer Relations Head in January 2020. She obtained her Bachelor of Arts in Integrated Marketing Communications degree from the University of Asia and the Pacific, Manila in 2013 and completed her Master of Science in Strategic Communications at Columbia University, New York in 2020. Prior to graduate school, she worked for the Company as Marketing Manager from 2017 to 2018 and United Laboratories (UNILAB) as Brand Manager from 2013 to 2017. She is the daughter of Jose R. Soberano III and Ma. Rosario Soberano.

Mathias Ralf Bergundthal, 38, Swiss, joined the company as Director of Assets for CLI Premier Hotels in April 2019. He obtained his Master's degree at the Graduate Institute of International and Development studies in Geneva and is currently finishing his executive MBA in hospitality management at the Ecolière hôtel de Lausanne (EHL). Mr. Bergundthal previously worked at Nestle Switzerland within various functions, from 2017 to 2019 as a Senior Public Affairs Manager, from 2014 to 2017 as a Public Affairs Manager and from 2009 to 2014 as an Economist. He is the husband of Dir. Joanna Marie B. Soberano-Bergundthal.

Jessel M. Kabigting, 50, Filipino, is the Vice-President for Operations of the Company. He finished Civil Engineering from the University of Santo Tomas and is the Gold Medalist in the Ateneo-Regis University MBA Program with a specialization in Marketing and Finance. Mr. Kabigting worked for 25 years in construction, real estate, and in outsourcing companies prior to joining the Company. He managed the planning, construction, procurement, and operations of various residential, office, retail, and mixed-use projects in the Philippines under Ayala Land and MDC. He also previously worked at Accenture for 6 years and served as Service Transition Executive and Solution Architect for the Philippines. During this time, he led outsourcing and sales engagements for Philippines and India and worked with clients from the USA and Europe. He used to manage day-to-day business operations for three firms before joining the Company. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Larri-Nil G. Veloso, 41, Filipino, is the Vice-President for Legal and serves as the Company's Assistant Corporate Secretary and Compliance Officer. An experienced practitioner in Corporate Law, he holds a Bachelor of Arts in Mass Communication from the University of the Philippines and earned his Bachelor of Laws from the University of Southern Philippines Foundation. While finishing law school, Atty. Veloso worked for a print and online newspaper, occupying various positions in progression from correspondent, staff reporter, copy editor, copywriter, junior editor, group editor, to managing editor. Prior to joining the Company, he was the Corporate Legal Counsel of InfoWeapons Corporation, an American-owned software company specializing in networking appliances, and later promoted as General Manager. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Pedrito A. Capistrano Jr., 56, Filipino, is the Vice-President for Engineering of the Company. He is a licensed engineer in the field of Civil Engineering and Geodetic Engineering. He has been working with the Company since August 2011 when he was hired as Project Manager. His more than 25 years of experience has established for him solid foundation and credibility in the construction and allied fields. Some of the established companies he had worked for were Filinvest Land Inc., Robinsons Land Corporation, Cebu Industrial Park Developers, Inc., Aboitiz Land, Inc. and Aboitiz Construction Group, Inc. He finished his Bachelor of Science degree in Civil Engineering at Cebu Institute of Technology University in Cebu City and earned his Master of Science in Management Engineering from University of the Visayas also in

Cebu City. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Connie N. Guieb, 41, Filipino, is the Vice-President for Finance and Accounting. She also serves as the Financial Comptroller. She has more than 15 years of accountancy and finance experience in various industries in both public and private sectors in the Philippines. She graduated cum laude with a Bachelor of Science in Accountancy degree from the University of San Carlos, and Bachelor of Laws from the University of Cebu. A certified public accountant, she is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Marie Rose C. Yulo, 51, Filipino, is the Company's Vice-President for Sales. Prior to this, she was the Assistant Vice-President for both Sales and Marketing from March 2011 until August 2016 when the Company spun off its marketing unit as a separate department to provide focused attention to the equally challenging marketing and branding initiative of the Company. Ms. Yulo also has significant experience in the areas of travel and tours, and banking. She completed her Bachelor of Science degree in Business Administration at the University of San Carlos and earned units of Masters in Business Administration from the University of the Visayas. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Sylvan John M. Monzon, 44, Filipino, joined the Company in August 2016. He is now Vice-President in-charge of business development for the Company's projects in Mindanao. Prior to CLI, he held various positions in the real estate industry for more than 20 years such as Project Development Assistant Supervisor of Cebu Holdings, Inc., Assistant Chief Operating Officer of Ortigas and Company Limited Partnership, and as Head of Business Development of Ortigas and Company Holdings Inc. Mr. Monzon graduated with a Bachelor of Science degree in Business Management from the University of Asia and the Pacific in Pasig City, Philippines. He also earned a Certificate in Business Economics from the same university. He is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

Mark Leo M. Chang, 41, Filipino, joined the Company as Senior Manager for Permits and Licenses in July 2018 and recently promoted as Assistant Vice-President for Strategic Landbanking and Permits & Licenses in February 2020. He is a graduate of Bachelor of Laws (Juris Doctor) from the University of San Carlos (USC) School of Law, Cebu City in 2009 and Bachelor in Business Management from the University of the Philippines (UP) – Cebu in 1999. In 1998, he was awarded as one of The Outstanding Student Leaders of UP Cebu by the Junior Jaycees of UP Cebu Chapter. He previously as worked Senior Manager for External Affairs of Cebu Holdings, Inc., a subsidiary of Ayala Land, Inc. from February 2015 to July 2017 (including as Consultant) and as Senior Manager for Permits with Countryside Water Services under Filinvest Development Corporation from August 2017 to June 2018. He held the position of Presidential Staff Officer V functioning as Executive Assistant and Political Officer under the Office of the Presidential Political Adviser Sec. Ronaldo M. Llamas of the Office of the President from April 2011 to December 2014. He also worked as an Intern (Researcher) with Sycip Salazar Hernandez Gatmaitan Law Office - Cebu Branch from September 2005 to March 2007. He used to be the National President of the Association of Law Students of the Philippines, a federation of law student councils in the country, for Academic Year (AY) 2008-2009 and President of USC Lex Circle (Law Student Council) for 2 terms in AY 2006-2008. Mr. Chang is one of the founders of Roco for President Youth Movement and Aksyon Kabataan, a youth arm of Aksyon Demokratiko, the political party of the late Sen. Raul S. Roco in 1998.

Julieta R. Castaños, 40, Filipino, joined the Company as Business Unit Head for Cebu Residential Projects in March 2020. She obtained her Bachelor of Science in Accountancy from the University of San Carlos in 2000. Ms. Castanos has joined the real estate industry since 2002. She previously worked with Filinvest Land, Inc. for 14 years with various functions: from April 2005 to January 2009 as Branch Accountant; January 2009 to January 2012 as Branch Operations Head; from January 2012 to May 2013 and from September 2014 to April 2018 as Senior Manager for Project Development; and from April 2018 to February 2020 as Project Development Head for Visayas and North Mindanao. She also previously worked with Aboitizland, Inc. Accounting Department from 2002 to 2005; and a Business Development Manager from March 2013 to September 2014. She was also elected and served as President for the Subdivision and Housing Developers Association, Central Visayas Chapter (SHDA-CV) from 2015 to 2017 and is currently one of the Board of Advisers of SHDA-CV from 2017 to present. She is not related within the fourth civil degree either by consanguinity or affinity to any of the directors or fellow executive officers in the Company.

(iv) **Material Legal Proceedings**

To the best of the Company's knowledge, none of the foregoing directors and key executives is involved in legal proceedings that are material in evaluating their ability or integrity to hold their respective offices or positions.

More specifically, none of the current directors, executive officers, and nominees of the Company has been a general partner or executive officer of a company subject of a bankruptcy petition nor held such position during the bankruptcy proceedings or within two years prior to that time. Neither do any of them has been convicted by final judgment in any criminal proceeding or currently facing one, both domestic or foreign; nor the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking activities. Finally, none of the Company's directors, executive officers, and nominees has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The Company and its subsidiaries are likewise not a party to, nor any of the Company's properties are the subject of any pending material litigation, arbitration or other legal proceeding, and no litigation or claim of material importance is known to the management and the directors to be threatened against the Company, its subsidiaries or any of its properties.

(v) **Resignation of Directors**

None of the current set of directors has resigned. The incumbent Board members will stand for re-election at the next annual stockholders meeting.

(vi) **Significant Employees**

There is no Non-Executive Officer(s) within the Company that is/are expected to make significant contribution to the business.

(vii) **Family Relationships**

The executive officers and members of the Board of Directors of the Company are not related by consanguinity or by affinity among each other, except: Jose R. Soberano III (husband of Ma. Rosario B. Soberano), Ma. Rosario B. Soberano (wife of Jose R. Soberano III), Jose Franco B. Soberano, Janella Mae B. Soberano, and Joanna Marie Soberano-Bergundthal (children of Sps. Jose R. Soberano III and Ma. Rosario B. Soberano), and Ralf Mathias Bergundthal (husband of Joanna Marie Soberano-Bergundthal)

(viii) **Related-Party Transactions**

The Company and its subsidiaries (the "Group"), in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

However, no other transaction, without proper disclosure, was undertaken by the Group. CLI employees are also required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. (See Note 25 on page 61 of the Audited Financial Statements for fiscal year 2019)

Item 6. Compensation of Directors and Executive Officers

The table below lists the Company's President and CEO and the four most highly compensated senior officers:

<u>Name</u>	<u>Position</u>
Jose R. Soberano III	Chief Executive Officer
Ma. Rosario B. Soberano	Executive Vice-President
Jose Franco B. Soberano	Executive Vice-President & Chief Operating Officer
Beauregard Grant L. Cheng	Chief Financial Officer
Joanna Marie B. Soberano	Vice-President & Marketing Director

The table below summarizes the aggregate compensation of the Company's President and CEO and the four most highly compensated executive officers, and all other officers and directors as a group, for the years ended December 31, 2016, 2017, 2018, 2019 and the estimated amount for 2020.

	<u>Year</u>	<u>Basic Compensation (in ₱)</u>	<u>Other Compensation (in ₱)</u>
President and CEO and the four most highly compensated executive officers named above.....	est. 2020	37,248,750.00	18,150,000.00
	2019	33,862,500.00	16,500,000.00
	2018	28,323,326.05	14,589,173.95

2017	27,459,615.39	14,315,896.12
2016	14,009,288.00	4,031,230.67

Each of the executive officers named above executed an employment contract with the Company and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's retirement plan.

No bonuses have been declared for the Board of Directors for the last three years. For the ensuing year, the amount of bonuses to be received by the members of the Board of Directors has yet to be approved by it.

Meanwhile, the table below shows the aggregate compensation of all officers and directors as a group, excluding those of the President and the four most highly compensated executive officers:

	Year	Basic Compensation (in ₱)	Other Compensation (in ₱)
All officers and directors as a group excluding the President and four (4) most highly compensated executive officers.....	<i>est.2020</i>		
	2019	20,720,026.60	7,969,241.00
	2018	20,814,760.70	7,567,242.57
	2017	18,733,284.63	6,810,518.31

There is no plan or arrangement by which the above officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

There are no outstanding warrants or options held by the Company's chief executive officer, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

- (a) The principal accountant and external auditor of the Company is Punongbayan & Araullo. During its meeting on 27 March 2020, the Company's Audit Committee recommended that Punongbayan & Araullo shall remain as the external auditor for fiscal year 2020, subject to its formal appointment at the Annual Stockholders Meeting on 03 June 2020.

The Company's Audit Committee is chaired by Director Ma. Aurora D. Geotina-Garcia with M. Jasmine S. Oporto and Rufino Luis T. Manotok as members, all of whom are independent directors of the Company and each paid a per diem allowance of ₱30,000.00 for every Board and Committee meeting attended. The other members of the Board who are executives and receiving salaries as such do not get additional per diem or compensation for their attendance in Board meetings.

- (b) Not applicable.

- (c) A representative of Punongbayan & Araullo is expected to be present at the annual stockholders meeting to respond to appropriate questions or make a statement if he/she desires to do so.
- (d) Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the three most recent fiscal years. Thus far, the Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

The table below shows the fees paid by the Company for the services of Punongbayan & Araullo:

	2017	2018	2019
Audit and Audited Related Fees	₱ 1,691,650.14	₱ 2,327,437.55	₱ 1,881,600.00
Tax Fees	--		
All other fees	1,004,724.86	19,975.00	86,240.00
TOTAL	2,696,375.00	2,347,412.55	1,967,840.00

Item 8. Compensation Plans

There are no matters or actions to be taken up in the Annual Stockholders Meeting on 03 June 2020 pertaining to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the Annual Stockholders Meeting on 03 June 2020 pertaining to authorization or issuance of securities other than for Exchange.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the Annual Stockholders Meeting on 03 June 2020 pertaining to modification or exchange of securities.

Item 11. Financial and Other Information

(a) Required Information

(1) Financial Statements

Copies of the 2019 consolidated financial statements of the Company, prepared in accordance with SRC Rule 68 as amended, as well as its SEC Form 17-A (Annual Report) may be downloaded from CLI's website or mailed to any security holder upon written request made to CLI Investors Relation Manager Clarissa Mae Cabalda, who may be reached by email at clarissa@cebulandmasters.com or at her office address: 19th Floor Park Centrale Tower, J.M. del Mar St., Cebu I.T. Park, Apas, Cebu City 6000.

(2) Seasonal Aspect that has Material Effects on the Financial Statements

As of the reporting period, there is no seasonal aspect that may have material effects on the Financial Statements of the Company.

(3) Management’s Discussion and Analysis and Plan of Operation

Please refer to Annex “E” for the complete management’s discussion, analysis, and plan of operation of the Company.

(4) CLI’s General Nature and Scope of Business

CLI was incorporated in the Philippines and registered with the Securities and Exchange Commission on September 26, 2003. The Company is presently engaged in real estate development, sale, and leasing. Its major projects include Asia Premier Residences, Midori Plains, Midori Residences, Park Centrale, Velmiro Heights, Base Line Center, Casa Mira Towers in Labangon, Guadalupe and Mandaue, Casa Mira Linao and Casa Mira South subdivisions, San Josemaria Villages, Mivesa Garden Residences, Mivela Garden Residences, Citadines Cebu City, Latitude Corporate Center, Astra Centre, and 38 Park Avenue which are all located in Cebu. CLI also has projects in Bacolod, Dumaguete, Cagayan de Oro, Bohol, and Iloilo. Through joint ventures, the Company also owns several hotels, office condominiums in various cities, and a 23-hectare central business district in Davao City.

(5) Identity of Directors, Executive Officers, Business and Occupation

Please refer to the disclosure in Item 5 above.

(6) Market Price and Dividends

Market Information

CLI listed its common shares with the Philippine Stock Exchange on June 2, 2017.

Philippine Stock Exchange
Prices (in PHP/ share)

	<u>High</u> <u>2017</u>	<u>Low</u> <u>2017</u>	<u>Close</u> <u>2017</u>
Second Quarter (month of June only)	5.60	5.40	5.48
Third Quarter	5.17	5.02	5.08
Fourth Quarter	4.92	4.81	4.86
	<u>High</u> <u>2018</u>	<u>Low</u> <u>2018</u>	<u>Close</u> <u>2018</u>
First Quarter	5.12	4.21	4.70
Second Quarter	4.59	4.50	4.58
Third Quarter	4.42	4.29	4.42
Fourth Quarter	4.14	4.04	4.14

	<u>High</u> <u>2019</u>	<u>Low</u> <u>2019</u>	<u>Close</u> <u>2019</u>
First Quarter	4.29	4.19	4.20
Second Quarter	4.89	4.80	4.83
Third Quarter	4.75	4.70	4.74

Fourth Quarter	4.83	4.67	4.83
	<u>High</u>	<u>Low</u>	<u>Close</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>
First Quarter	3.80	3.70	3.72

The market capitalization of CLI as of end-2019, based on the closing price of ₱4.83/share, was approximately ₱8 billion.

Dividends Declared

The Company has declared the following cash and stock dividends.

Cash Dividends

On 19 February 2020, the Board of Directors declared a cash dividend of ₱.25 per share for stockholders of record as of 03 April 2020 to be paid on 30 April 2020.

Year of Dividend Declaration	Rate of Dividend Declared per Share (in ₱)	Record Date	Amount Paid (in ₱)
2014	12.50	November 3, 2014	48,000,000
2015	7.19	February 28, 2015	42,000,000
2015	10.27	June 15, 2015	60,000,000
2015	8.56	October 15, 2015	50,000,000
2015	5.66	December 15, 2015	50,000,000
2016	2.26	March 31, 2016	20,000,000
2016	5.99	August 31, 2016	52,943,457
2016	4.32	September 15, 2016	38,150,000
2016	1.70	September 30, 2016	15,000,000
2016	0.74	November 21, 2016	650,000,000
2016	0.05	December 1, 2016	40,000,000
2016	0.03	December 1, 2016	40,000,000
2017	0.15	March 23, 2018	(est) 257,100,000
2019	0.20	March 26, 2019	(est) 332,590,000
2020	0.25	April 3, 2020	(est) 400,000,000

Stock Dividends

Year	Rate of Dividend Declared per Share (in ₱)	Record Date	No. of Shares
2014	0.5208	November 30, 2014	2,000,000
2015	0.3394	December 15, 2015	3,000,000

(7) Sale of Unregistered or Exempt securities

There are no unregistered or exempt securities as well as securities constituting an exempt transaction issued by the Company during the year 2019.

(8) Compliance with Leading Practices on Corporate Governance

The Company is committed to doing business in accordance with the highest professional standards, business conduct and ethics and all applicable laws, rules, and regulations in the Philippines. The Company, its directors, officers, and employees are dedicated to promote and adhere to the principles of good corporate governance by observing and maintaining its core business principles of accountability, integrity, fairness, and transparency.

Independent Directors

Philippine regulations require the Company to have at least three independent directors in its Board of Directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. The Company's Board of Directors is composed of nine members, six of whom are regular directors and three are independent directors. The Company's independent directors are Atty. M. Jasmine S. Oporto, Rufino Luis T. Manotok, and Ma. Aurora D. Geotina-Garcia. Independent directors must hold no interests or relationships with the Company that may hinder their independence from the Company or its management, or which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under the SEC Revised Code of Corporate Governance, independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. The By-Laws of the Company do not provide for such quorum requirement. However, pursuant to the Company's Manual of Corporate Governance to promote transparency, the Board requires the presence of at least one independent director in all its meetings.

Compliance Officer

The Board shall appoint a Compliance Officer who shall be a member of the Company's management team and will be in charge of the compliance function. The Compliance Officer should not be a member of the Board and should be different from the Corporate Secretary. He shall have the rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company. The Compliance Officer is primarily liable to the Company and its shareholders, and not to its Chairman or President. Among others, he shall have the following duties and responsibilities:

- a. Ensure proper onboarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitor, review, evaluate and ensure the compliance by the Company, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to regulators;

- e. Appear before the SEC when summoned in relation to compliance with this Code;
- f. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and work towards the resolution of the same;
- h. Ensure the attendance of board members and key officers to relevant trainings; and
- i. Perform such other duties and responsibilities as may be provided by the SEC.

Chief Audit Officer

The Chief Audit Officer, who will be appointed by the Board, directly reports functionally to the Audit Committee and administratively to the Chief Executive Officer. He shall oversee and be responsible for the internal audit activity of the Company, including that portion that is outsourced to a third-party service provider.

Resolving Stockholders' Disputes

Stockholders who have matters for discussion or concerns directly resulting to the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Officer; (c) Management; or (d) the Board.

Committees of the Board

The Board of Directors has constituted certain committees to effectively manage the operations of the Company. The Company's principal committees include the Audit Committee, Risk Oversight Committee, Related-party Transactions Committee, Nominations Committee, and the Corporate Governance Committee, which also functions as the Compensation and Remuneration committee.

A. Audit Committee

The Audit Committee shall be composed of at least three board members, preferably with accounting and finance background, one of whom shall be an independent director and another should have related audit experience. The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit Committee shall perform the following functions:

- a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, internal and external audit process, and monitoring of compliance with applicable laws, rules and regulations;

- b. Recommend the approval the Internal Audit Charter (“IA Charter”), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- c. Through the Internal Audit (“IA”) Department, monitor and evaluate the adequacy and effectiveness of the Company’s internal control system, integrity of financial reporting, and security of physical and information assets;
- d. Oversee the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Officer. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- e. Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- f. Review and monitor management’s responsiveness to the internal auditor’s findings and recommendations;
- g. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- h. Evaluate and determine the non-audit work, if any, of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company’s overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence;
- i. Review and approve the interim and annual financial statements before their submission to the Board;
- j. Review the disposition of the recommendations in the external auditor’s management letter;
- k. Perform oversight functions over the Company’s internal and external auditors and ensure the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions, taking into consideration relevant Philippine professional and regulatory requirements;
- l. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- m. Recommend to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the SEC, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders;
- n. Evaluates on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is

updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);

B. Risk Oversight Committee

This Committee is established to provide a venue for discussion of risk oversight issues for the purpose of fulfilling its corporate governance responsibilities through better integration and collaboration of risk oversight and audit management functions. The Committee shall have at least three (3) Directors, one (1) of whom shall be an independent director. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner removed as members of the Committee.

The Committee is authorized to deal with any activity within its charter, including the authority to secure the attendance of outsider experts with relevant experience and expertise as it deems necessary in the performance of its duties. Furthermore, the Committee shall represent the Board in discharging its responsibility relating to risk oversight matters. The Committee does not have decision-making authority, except in the circumstances described herein or to the extent that such authority is expressly delegated by the Board:

1. Review and consider, at least once a year, the Corporation's risk management policy, with consideration of the strategic, operational, financial, legal and compliance, emerging, and project risks as well as any other form of risk as approved by the Board;
2. Provide a forum to review exposures and strategies to mitigate risks with relevant senior officers and managers and make recommendations to the Board related to changes to the policy based on this review;
3. Undertake a periodic review of the delegated authorization and control levels. Following consultation with the CEO, COO and CFO, make recommendations to the Board related to any changes in these levels seen to be appropriate based on this review;
4. Review the Corporation's senior officers' and managers' proposed risk appetite and risk tolerance at least annually and if advisable, recommend it for Board approval;
5. At least annually, review policies and procedures in consultation with individual business leaders and risk managers and recommend changes as appropriate;
6. Monitor and review the Corporation's senior managers and officers' reports on the following:
 1. the Corporation's risk profile and identifying material risks associated with the Corporation's business and operations;
 2. emerging risk issues and trends;
 3. compliance with the risk appetite and risk tolerance limits and established policies and procedures; and
 4. overall adherence to the Corporation's defined risk appetite;

7. Recommend to the Board external advisers when desired expertise for the specific need is not available internally; and
8. Ensure the proper implementation of the risk oversight and management framework across the Corporation by identifying, evaluating and monitoring relevant issues to mitigate risk.

C. Related-party Transactions Committee

The Related-party Transactions Committee is constituted to promote transparency, fairness, and ensure that transactions of the Corporation are conducted at arm's-length basis and on terms not more favorable than those made to unrelated third parties under similar circumstances. For this purpose, the Committee shall review all transactions involving parties related to the Corporation if the same shall fall within the specific criteria set in writing and approved by the Board.

The Committee shall have three (3) members, one (1) of whom shall be an independent director. They shall hold office for a period of one (1) year from election until their successors are duly elected or sooner if removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- a. Recommend to the Board specific criteria under which related-party transactions ("RPTs") may be subject to review by the Committee prior to its approval by the Board;
- b. Propose to the Board policies related to conflicts of interest and recommend a system to identify, monitor, report, and conduct periodic review of RPTs;
- c. Evaluate all existing relations between and among businesses and counterparties of the Corporation to ensure all related parties are continuously identified, transactions are monitored, and subsequent changes in relationships (from non-related to related and vice versa) are captured;
- d. Evaluate all RPTs subject of review by the Committee to ensure no business resources of the Corporation are misappropriated or misapplied, and determine any potential reputational risks that may arise from such transactions. In evaluating RPTs, the Committee shall consider, among others, the following:
 1. The related party's relationship to the Corporation, its interest in the transaction and the benefits to the Corporation;
 2. The material facts of the RPT such as the aggregate value of the transaction; and
 3. The availability of other sources of comparable products, services, or terms and conditions from unrelated party/parties under similar circumstances;
- e. Ensure that appropriate disclosures are promptly made and/or information provided to regulators;

- f. Report to the Board on a regular basis status of RPTs subject of its review, the aggregate exposures to each related party as well as the total amount of exposures to all related parties.

D. Corporate Governance Committee

The Committee assists the Board in performing corporate governance responsibilities and ensures compliance with and proper observance of corporate governance principles and practices. The Committee shall have three (3) directors, at least two (2) of whom shall be independent directors. The members of the Committee shall be elected annually by majority vote of the Board and shall hold office for a period of one (1) year from such election until their successors are duly elected or sooner if removed as members of the Committee and/or the Board. A member of the Committee may be removed by a majority vote of the directors. Any vacancy in the Committee shall be filled by majority vote of the Board. The Committee may form and delegate authority to subcommittees as may be appropriate in accordance with relevant laws and regulations.

The Committee shall have the following functions:

- a. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains relevant in light of material changes to the Corporation's size, complexity and business strategy, as well as its compliance with regulatory requirements of relevant government agencies such as but not limited to the Securities and Exchange Commission, Philippine Stock Exchange, Housing and Land Use Regulatory Board, Department of Environment and Natural Resources, and local government units;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct annual self-evaluation of its performance;
- c. Ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Determine the nomination and election process for the Corporation's directors and establish and maintain a process to ensure that all candidates/nominees at the Annual Stockholders Meeting are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations, assessing whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibility to the Board and in light of the Corporation's business and risk profile; (2) maintain integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between Board members;
- e. Recommend continuing education/training programs for directors, assignment of tasks/projects to Board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;
- f. Review and evaluate the qualifications of all individuals to be appointed to such positions within the Corporation that require Board approval;

- g. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and providing oversight over remuneration of senior management and other key personnel, ensuring that the policy is consistent with the Corporation's culture, strategy, and the business environment in which it operates;
- h. Review the Corporation's human resources development or personnel handbook to strengthen provisions on conflict of interest and directives on promotion and career advancement;
- i. Other functions as may be delegated by the Board.

E. Nomination Committee

The Nomination Committee of the Board shall have at least three members, one of whom shall be an independent director. The Nomination Committee shall review and evaluate the qualifications of all individuals nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members.

Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the Company.

F. Compensation and Remuneration Committee

The Board shall constitute a Compensation and Remuneration Committee which shall be composed of at least three (3) members, one (1) of whom must be an independent director. It shall have the following duties and responsibilities:

- a. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and the business environment in which it operates;
- b. Design the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully; and
- c. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met.

(9) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Punongbayan & Araullo has been the principal accountant and external auditor of the Company and its subsidiaries during the three most recent fiscal years. Thus far, the Company has had no material disagreements with it on any matter pertaining to accounting and financial disclosures.

(10) Attendance of Principal Accountant and External Auditor in Annual Stockholders Meeting

A representative of Punongbayan & Araullo is expected to be present at the annual stockholders meeting to respond to appropriate questions or make a statement if he/she desires to do so.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up during the Annual Stockholders Meeting on 03 June 2020 pertaining to merger, consolidation, acquisition by sale, or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up during the Annual Stockholders Meeting on 03 June 2020 pertaining to acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up during the Annual Stockholders Meeting on 03 June 2020 pertaining to restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

- (a) Approval of Audited Financial Statements as of December 31, 2019
- (b) Approval and Ratification of all acts of the Board of Directors in 2019
- (c) Approval of the Minutes of the last Annual Stockholders Meeting held on 28 May 2019

Item 16. Matters Not Required to be Submitted

None.

Item 17. Amendment of Charter, Bylaws or Other Documents

There are no amendments to the Articles, By-laws or any other constitutive documents of the Company that will be proposed during the Annual Stockholders Meeting on 03 June 2020.

Item 18. Other Proposed Action

None.

Item 19. Voting Procedures

(a) Vote required

In accordance with Section 7, Article III of the CLI By-laws, any matter, question, or election submitted to a vote during stockholders meeting, in order to be carried, shall require the majority vote (50% plus 1) of the outstanding capital stock of stockholders present in person or by proxy, a quorum being present.

(b) Method of Voting

Unless required by law or demanded by a stockholder present in person or by proxy, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy and shall state the number of shares voted by them. For this purpose, each stockholder will be given a ballot to enable him to vote in writing on each item or proposal in the agenda upon registration at the annual stockholders meeting. All votes will be counted and tabulated by the Corporate Secretary or his assistant before the start of the meeting.

(c) Items for Approval by Stockholders in the Annual Meeting

A copy of the Agenda enumerating the items for approval by stockholders at the annual meeting is attached herewith and made integral hereof as Annex "A".

PART II. INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification

The Company is not soliciting any advanced votes by proxy on all matters intended for approval by stockholders at the annual meeting on 03 June 2020. Please refer to Annex "A" for the items requiring such approval.

Item 2. Instruction

Pursuant to Section 7, Article III of the CLI By-laws, any security holder who cannot be physically present but entitled to vote at the Annual Stockholders Meeting on 03 June 2020 may be represented by proxy who may vote his/her shares on any matter intended for approval by stockholders. Copies of the prescribed proxies for individual and corporate stockholders are attached herewith and made integral hereof as Annexures "B" and "C". Proxy forms sent in substantially the same form as the foregoing annexures are valid subject to validation by the Corporate Secretary or his assistant. The decision of the Corporate Secretary or his assistant on the validity of any proxy form shall be final and binding until set aside by a court of competent jurisdiction in keeping with paragraph 2, Section 8, Article III of the CLI By-laws.

All proxy forms must be delivered by post or email to the address below on or before 20 May 2020, which is likewise the date set for its verification:

**CEBU LANDMASTERS, INC.
c/o Atty. Larri-Nil G. Veloso
Asst. Corporate Secretary
19th Floor Park Centrale Tower
J.M. del Mar Street, Cebu I.T. Park,
Apas, Cebu City, Philippines
6000**

If delivered by email, kindly use the following addresses:

**larri_nil@cebulandmasters.com
clarissa@cebulandmasters.com**

Please refer to Item 19(b) above for the mechanics on how votes will be taken either in person or by proxy at the Annual Stockholders Meeting on 03 June 2020.

Item 3. Revocability of Proxy

Pursuant to Section 8, Article III of the CLI By-laws, proxy forms are considered valid only for the meeting at which it has been presented to the Corporate Secretary or his assistant unless otherwise provided, which shall in no case be valid and effective for a period longer than five years from the date of the proxy in keeping with the provision of SRC Rule 20.

Proxy forms filed may still be revoked by the stockholders either by an instrument in writing duly presented and recorded with the Corporate Secretary or his assistant prior to the scheduled meeting or by their personal presence on 03 June 2020.

Item 4. Persons Making the Solicitation

Not applicable for this annual stockholders meeting.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

- (a) Solicitations Not Subject to paragraph **(8)** of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Annual Stockholders Meeting on 03 June 2020.

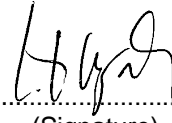
- (b) Solicitations Subject to paragraph **(8)** of SRC Rule 20

Not applicable. There are no solicitations of this nature during the Annual Stockholders Meeting on 03 June 2020.

**PART III.
SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Cebu on 30th day of April 2020.

By:



.....
(Signature)

ATTY. LARRI-NIL G. VELOSO
Assistant Corporate Secretary

ANNEX “A”

AGENDA

CLI Annual Stockholders Meeting

03 June 2020

9:00 – 11:30AM

Venue: Citadines Cebu Ballroom

9:00 – 9:30AM	Registration	Secretariat
9:30 – 9:33AM	Opening Prayer	Dir. J. Franco B. Soberano
9:33 – 9:34AM	Call to Order	Chairman
9:34 – 9:36AM	Certification of Notice and Quorum	Asst. Corporate Secretary
9:37 – 9:42AM	Review and Approval of Previous Minutes	Shareholders
9:44 – 10:04AM	New Business CFO’s Report	Dir. B. Grant L. Cheng
10:06 – 10:26AM	COO’s Report	Dir. J. Franco B. Soberano
10:28 – 10:48AM	Chairman’s Report	Dir. Jose R. Soberano III
10:50 – 10:55AM	Approval of Audited Financial Statements as of December 31, 2019	Dir. B. Grant L. Cheng
10:57 – 11:02AM	Ratification of all acts of the Board of Directors in 2019	Shareholders
11:02 – 11:12AM	Election of Directors for the 2020-2021 Term	Dir. Rufino Luis T. Manotok
11:10 – 11:15AM	Appointment of Independent Auditor for Fiscal Year 2020	Dir. B. Grant L. Cheng
11:17 – 11:25AM	Proposed amendment to CLI bylaws adopting Sec. 47 of R.A. 11232, also known as the Revised Corporation Code of the Philippines <u>Resolution for approval:</u> Resolve, as it is hereby resolved, that the stockholders of the Corporation shall delegate to the Board of Directors the power to amend or repeal the bylaws of the Corporation or adopt a new one: Provided that such power shall be deemed revoked whenever stockholders owning or representing a majority of outstanding capital stock shall so vote at any regular or special meeting.	Asst. Corporate Secretary

11:26 – 11:29AM	Other Matters	Chairman / Shareholders
11:30AM	Adjournment	Chairman

ANNEX "B"

PROXY FORM (for individual stockholder)

I/We, _____, Filipino/s, of legal age, (single / married / widow), and a resident of _____, do hereby constitute and appoint _____, who is also of legal age, Filipino, (single / married / widow), and a resident of _____, to represent me/us and vote _____ (_____) of my/our shares of the capital stock appearing in my/our name/s at the Annual Stockholders Meeting of Cebu Landmasters, Inc. to be held on 03 June 2020.

In the absence of my/our above proxy, please count my/our votes for the following items in the Agenda:

- V. Review and Approval of Previous Minutes
 Yes No Abstain No. of Shares Voted: _____
- VI. New Business
- A. CFO's Report
 Yes No Abstain No. of Shares Voted: _____
- B. COO's Report
 Yes No Abstain No. of Shares Voted: _____
- C. Chairman's Report
 Yes No Abstain No. of Shares Voted: _____
- D. Approval of Audited Financial Statements as of
December 31, 2019
 Yes No Abstain No. of Shares Voted: _____
- E. Ratification of all acts of the Board of Directors in 2018
(The list of acts is available on the CLI website)
 Yes No Abstain No. of Shares Voted: _____
- F. Election of Directors for the 2019-2020 Term
 Yes No Abstain No. of Shares Voted: _____
- G. Appointment of Independent Auditor for Fiscal Year 2019
 Yes No Abstain No. of Shares Voted: _____
- H. Proposed amendment to CLI bylaws adopting Sec. 47 of
R.A. 11232, also known as the Revised Corporation Code
of the Philippines.

Resolution for approval: Resolve, as it is hereby resolved, that the stockholders of the Corporation shall delegate to the Board of Directors the power to amend or repeal the bylaws of the Corporation or adopt a new one: Provided that such power shall be deemed revoked whenever

stockholders owning or representing a majority of
outstanding capital stock shall so vote at any regular or
special meeting.

Yes No Abstain

No. of Shares Voted: _____

VII. **Adjournment**

Yes No Abstain

No. of Shares Voted: _____

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this _____ at the
City of _____, Philippines.

STOCKHOLDER/S

Accepted by:

Name of Proxy

**REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR
HIS ASSISTANT ON OR BEFORE 20 MAY 2020 FOR ANY VOTES CONTAINED HEREIN TO BE
COUNTED DURING THE ANNUAL STOCKHOLDERS MEETING.**

ACKNOWLEDGMENT

BEFORE ME, a notary public for and in the City/Province of _____, this
_____ personally appeared the abovenamed parties with their government issued IDs to wit:

Stockholder _____

Valid Until: _____

Stockholder _____

Valid Until: _____

Proxy _____

Valid Until: _____

and by virtue thereof I sufficiently identified them to be the same persons who signed the above *Proxy Form*, consisting of two (2) pages including this *Acknowledgment* page, and they declared and acknowledged to me that they signed the said instrument for the purposes stated therein and that the same is their free and voluntary act and deed.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;

Page No.: _____;

Book No.: _____;

Series of 2020.

ANNEX "C"

PROXY FORM (for corporate stockholder)

I, _____, Filipino, of legal age, with office address at _____, after being duly sworn in accordance with law, do hereby depose and state THAT:

1. I am the duly elected and incumbent Corporate Secretary of _____ (the "Corporation"), a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal _____ address _____ at _____;
2. According to corporate records, at the regular/special meeting of the Board of Directors of the Corporation held _____, with prior notice given to all directors and duly called for the purpose at which a quorum was present, the following resolutions were duly approved:

"BE IT RESOLVED, as it is hereby RESOLVED –

1. That the Board authorize _____, to be the Corporation's authorized proxy to attend all meetings of the stockholders of Cebu Landmasters, Inc., whether regular or special, with full authority to vote the shares of the Corporation and to act upon all matters and resolutions that may come before or presented during the said meetings, in the name, place and stead of the Corporation;
2. RESOLVED FURTHER, that in the absence of the above authorized officer of the Corporation during the actual stockholders of Cebu Landmasters, Inc., the following shares of the Corporation shall be voted and counted for the following items in the Agenda:

V. Review and Approval of Previous Minutes

Yes No Abstain No. of Shares Voted: _____

VI. New Business

I. CFO's Report

Yes No Abstain No. of Shares Voted: _____

II. COO's Report

Yes No Abstain No. of Shares Voted: _____

III. Chairman's Report

Yes No Abstain No. of Shares Voted: _____

**IV. Approval of Audited Financial Statements as of
December 31, 2019**

Yes No Abstain No. of Shares Voted: _____

**V. Ratification of all acts of the Board of Directors
in 2019 (The list of acts is available on the CLI website)**

Yes No Abstain No. of Shares Voted: _____

VI. Election of Directors for the 2020-2021 Term
 Yes No Abstain No. of Shares Voted: _____

VII. Appointment of Independent Auditor for Fiscal Year 2020
 Yes No Abstain No. of Shares Voted: _____

VIII. Proposed amendment to CLI bylaws adopting Sec. 47 of R.A. 11232, also known as the Revised Corporation Code of the Philippines.

Resolution for approval: Resolve, as it is hereby resolved, that the stockholders of the Corporation shall delegate to the Board of Directors the power to amend or repeal the bylaws of the Corporation or adopt a new one: Provided that such power shall be deemed revoked whenever stockholders owning or representing a majority of outstanding capital stock shall so vote at any regular or special meeting.

Yes No Abstain No. of Shares Voted: _____

VII. Adjournment
 Yes No Abstain No. of Shares Voted: _____

3. RESOLVED, FINALLY, that Cebu Landmasters, Inc. shall be furnished with a certified copy of this resolution and that said company may rely on the continuing validity of this resolution until receipt of written notice of its revocation.”

3. I attest to the truth of the foregoing and issue this certification for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ in _____, Philippines.

Corporate Secretary

REMINDER: THIS PROXY FORM MUST BE RECEIVED BY THE CORPORATE SECRETARY OR HIS ASSISTANT ON OR BEFORE 20 MAY 2020 FOR ANY VOTES CONTAINED HEREIN TO BE COUNTED DURING THE ANNUAL STOCKHOLDERS MEETING.

SUBSCRIBED AND SWORN to before me this _____ at _____, Philippines, abovenamed Affiant who presented to me his/her government-issued ID: _____ and by virtue thereof I sufficiently identified him/her to be the same person who signed the foregoing Secretary's Certificate in my presence and swore as to said document that he/she understood the contents thereof and that the same is his/her free and voluntary act and deed as well as the corporation represented therein.

Witness my hand and seal on the date and place abovementioned.

Doc. No. : _____;
Page No.: _____;
Book No.: _____;
Series of 2020.

ANNEX "D"

BALLOT

Name : _____
Principal's Name : _____ (if proxy)
Number of Shares : _____ (to be verified by CLI)

Agenda Items for Approval by Stockholder

	Vote	No. of Shares Voted (indicate specific number or "ALL")
Review and Approval of Minutes	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
New Business		
A. CFO's Report	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
B. COO's Report	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
C. Chairman's Report	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
D. Approval of Audited Financial Statements as of December 31, 2019	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
E. Ratification of all acts of the Board of Directors in 2019 (The list of acts is available on the CLI website)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____
F. Election of Directors for the 2020-2021 Term		
Jose R. Soberano III	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	_____

- | | | |
|---|---|-------|
| Ma. Rosario B. Soberano | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Jose Franco B. Soberano | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Joanna Marie Soberano-
Bergundthal | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Stephen A. Tan | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Beauregard Grant L. Cheng | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Rufino Luis Manotok | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| Ma. Aurora D. Geotina-
Garcia | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| M. Jasmine S. Oporto | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| G. Appointment of
Independent Auditor for
Fiscal Year 2020 | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |
| H. Proposed amendment to
CLI bylaws adopting Sec. 47
of R.A. 11232, also known
as the Revised Corporation
Code of the Philippines | <input type="checkbox"/> Yes
<input type="checkbox"/> No
<input type="checkbox"/> Abstain | _____ |

Resolution for approval:
Resolve, as it is hereby
resolved, that the
stockholders of the
Corporation shall delegate

to the Board of Directors the power to amend or repeal the bylaws of the Corporation or adopt a new one: Provided that such power shall be deemed revoked whenever stockholders owning or representing a majority of outstanding capital stock shall so vote at any regular or special meeting.

Stockholder's signature

ANNEX "E"

NOTICE OF MEETING

30 April 2020

Dear CLI Stockholders,

You are hereby notified that the Annual Stockholders Meeting of CEBU LANDMASTERS, INC. will be held on 03 June 2020, 9:00 o'clock in the morning at Citadines, Base Line Center, Juana Osmeña St, Cebu City, 6000, Philippines.

In compliance with relevant issuances of the Securities and Exchange Commission in relation to COVID-19, the company will also broadcast the meeting on Zoom for the benefit of stockholders who wish to attend remotely.

All stockholders of record as of 01 May 2020 are entitled to join and vote in this meeting. Adequate measures will be in place for those who will attend physically, while those who wish to join by tele- and video-conference may email the undersigned for login details and technical assistance.

Stockholders are reminded to execute and deliver their proxy forms by email or to the address of the undersigned on or before 20 May 2020, which shall likewise be the deadline for its validation.

You may download the agenda of the meeting, sample proxy forms, annual report, and other related materials from the company website at www.cebulandmasters.com starting on 13 May 2020.

Please feel free to contact the undersigned for any concerns or additional information.

Sincerely,



Atty. Larri-Nil G. Veloso
Asst. Corporate Secretary
Upper Penthouse Park Centrale Tower
J.M. del Mar St., Cebu I.T. Park,
Apas, Cebu City 6000
larri_nil@cebulandmasters.com
09175270025 / (032) 318-8776

ANNEX “F”

Management’s Discussion, Analysis and Plan of Operation

COMPANY MILESTONES

The year 2019 was a year of sustained growth and expansion for Cebu Landmasters, Inc. (“CLI”) as the Company expanded into new markets and locations. CLI’s Consolidated Net Income After Tax (“NIAT”) increased to ₱2.52 billion, a 16% y-o-y growth. Parent NIAT on the other hand grew to ₱2.10 billion, a 26% y-o-y increase due to the substantial growth of revenue from purely CLI projects allowing the Company to surpass its year-end target of ₱2 billion.

CLI reported a 26% topline growth of ₱8.51 billion, up from ₱6.76 billion, driven by the strong performance across all business units, including its leasing and hotel portfolio. The recent turnover of Casa Mira Towers Labangon and Base Line Retail and HQ, the office component of the mixed-use Base Line Center in Cebu, increased the Company’s total GLA to 14,296 sqm. from 8,952 sqm. Citadines Cebu City, the first hotel of CLI, started operations in the third quarter of 2019, giving the Company a new stream of recurring revenue.

The Company sustained its growth momentum with 32% y-o-y increase in consolidated reservations sales, from ₱9.61 billion to ₱12.68 billion, due to robust sales of newly launched projects in 2019 exceeding its year-end guidance of ₱12.50 billion.

With the outstanding performance, the Board of Directors declared a cash dividend of ₱0.25 per share on February 19, 2020 with a total estimated amount of ₱414,000,000 to stockholders of record as of 03 April 2020. The dividend was paid on 30 April 2020.

During the year, the Company and its subsidiaries launched ₱18.0 billion worth of projects, namely:

1. Davao Global Township – Phase 1;
2. One Paragon Place in Davao;
3. Citadines Paragon in Davao;
4. Citadines in Bacolod;
5. Casa Mira Bacolod;
6. MesaVirre Garden Residences C in Bacolod;
7. Velmiro Plains in Bacolod;
8. Casa Mira Towers Cagayan de Oro (CDO);
9. Casa Mira Homes in Bohol;
10. Mivela Garden Residences in Cebu;
11. One Astra Place Tower 2;
12. Casa Mira Towers Mandaue; and,
13. Pinamalayan Socialized Housing in Mindoro

CLI’s current landbank of 1,245,485 sq.m. will be used to roll out its major brands in new locations such as Iloilo, Bohol, Ormoc in 2020. Eighty percent of this landbank are 100%-owned by CLI while the rest are under joint venture companies, which allows CLI to access high-value locations without requiring intensive capital.

Among its recent acquisitions is an existing resort in Mactan, Cebu with 18,000 sqm. of land area. This resort will be re-developed to integrate a residential component. The Company also purchased a 9.4-hectare property in Ormoc to be developed into a residential project in 2020. Additionally, CLI purchased 28 hectares of land in Davao for its first horizontal project in the region. This development will house both the Company’s economic and mid-market brand, Casa Mira and Velmiro homes respectively. CLI also acquired a 11,000-sqm. land in Bacolod City adjacent to its existing three-tower

condo project, MesaVirre Garden Residences. The high demand for condominiums in the area spurred the Company to roll out its Casa Mira Towers brand in Bacolod.

During the year, CLI entered into a strategic partnership with AboitizLand, the real estate arm of Aboitiz Equity Ventures. The joint venture company plans to develop a mid-market, mixed-use, multi-tower condominium project in Mandaue City, Cebu. CLI also teamed up with prominent Iloilo businessman, Alfonso Tan, who chairs the International Builders Corporation (IBC), for a high-rise multi-tower condominium with retail spaces on a prime corner lot in the downtown area. After its hugely successful Latitude Corporate Center, CLI and Borromeo Brothers Estate, Inc. renewed their partnership by forming another joint venture to develop a two-tower residential condominium in another prime location in Cebu City.

CLI also received a notice of interest from Xavier University (“XU”) to develop its property in Cagayan de Oro into a campus town. In the initial plan, CLI will be the project manager to transfer the existing XU campus to its uptown property known as Manresa. CLI will also lead the development of the future Manresa area into a university town and the transformation of the existing XU campus into a business district. The proposed development is currently undergoing a final review for approval from the Jesuit Superior General in Vatican.

Future CLI developments in Cebu City include a mixed-use community with hotel, office and retail in a prime Cebu Business Park lot adjacent to Ayala Mall. CLI holds a 43-year lease contract on this vacant lot, which is one of the last remaining undeveloped lots in the most prime of business districts in Cebu.

In order to fund expansion, CLI entered into a notes facility agreement with ALFM Peso Bond Fund, Inc. and ALFM Money Market Fund, Inc. wherein the Company issued an 18-month corporate note worth ₱2 billion at an initial fixed rate of 4.75%. The facility was arranged by BPI Capital Corporation. Proceeds of the notes were used for capital expenditures and general corporate purposes. CLI has several strategic land acquisitions lined up in greater Cebu, Bacolod, and Davao, with new expansion areas such as Iloilo, Butuan, and General Santos City also on the horizon. The Company continues to pursue aggressive plans to establish and deliver quality developments across the Visayas and Mindanao region.

On 05 July 2019, CLI bagged the “Best Developer Award” in the 7th Annual Property Guru Philippines Property Awards presented by Kohler. It also took home the “Best High-End Condominium Development (Cebu)” for its 38 Park Avenue high-end condominium project. Its Casa Mira Towers Labangon project was also “Highly Commended for Best Affordable Condominium Development (Cebu)”, while MesaTierra Garden Residences was adjudged “Best Condominium Development (Davao)”. The Company also received special recognition for Corporate Social Responsibility.

KEY PERFORMANCE INDICATORS

The Company uses a range of financial and operational key performance indicators (“KPIs”) to help measure and manage performance. These KPIs reflect the Company’s continuous focus on efficiency, cost control and profitability across all its operations. Management considers the following as KPIs:

	2019	2018	2017
Gross Profit Margin ¹	49%	54%	52%
Net Income Margin ²	29%	32%	32%

¹ Gross Profit Margin is gross profit as a percentage of revenues

² Net Income Margin is net income as a percentage of revenues

EBITDA ³	₱3.28 billion	₱2.79 billion	₱1.55 billion
EBITDA Margin ⁴	39%	41%	39%
Return on Average Assets ⁵	8%	11%	12%
Return on Average Equity (Parent) ⁶	29%	31%	40%
Current Ratio ⁷	2.56	3.66	3.16
Debt to Equity Ratio ⁸	1.23	0.94	0.94
Interest Coverage Ratio ⁹	4.19	9.16	9.76

REVIEW OF THE COMPANY'S RESULTS OF OPERATION

FY 2019 vs FY 2018

CLI posted a consolidated NIAT growth of 12% from ₱2.17 billion to ₱2.44 billion. Net income attributable to Parent likewise increased to ₱2.01 billion, a solid earnings growth of 21% y-o-y compared to ₱1.67 billion in 2018. The favorable result is driven by construction progress of the following projects: MesaVirre Garden Residences in Bacolod, Velmiro Uptown in CDO; 38 Park Avenue and Casa Mira South in Cebu; and MesaTierra Garden Residences in Davao.

For 2019, CLI registered an EPS of ₱1.21 per share, a notable 24% increase from ₱0.98 in 2018. Total outstanding shares as of December 31, 2019 stood at 1,659,180,000, exclusive of 54,820,000 treasury shares.

Revenues

For the period ending December 31, 2019, total consolidated revenues reached ₱8.50 billion, 26% higher than last year's ₱6.76 billion. The growth was mainly driven by the "Garden Series" product for the mid-market segment, which accounted for 37% of revenue, followed by 30% from the "Premier Series" for the high-end market, and 30% from "Casa Mira", the economic housing brand of the Company. In 2018, the Garden Series represented 45% of total revenue; Casa Mira Series, 28%; and Premier Series, 19%.

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

In terms of location, CLI's Cebu projects accounted for 56% of total revenues, followed by Cagayan de Oro at 14%, and Bacolod at 12%. In 2018, Cebu projects generated 64% of total revenues while Davao and Cagayan de Oro posted significant contributions of 12% and 11%, respectively. The

³ EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items

⁴ EBITDA margin is EBITDA as a percentage of revenues

⁵ Return on Average Assets is net income as a percentage of assets as at year-end and assets as at end of the immediately preceding year.

⁶ Return on Average Equity is net income as a percentage of the average of the equity as at year-end and equity as at end of the immediately preceding year

⁷ Current Ratio is current assets divided by current liabilities

⁸ Debt to Equity Ratio is interest bearing debt over total equity

⁹ Interest Coverage ratio is EBITDA divided by interest paid

Company expects to grow revenue contribution from expansion projects in Iloilo, Davao, Bohol and Puerto Princesa in 2020.

The rental revenue of CLI grew by 10% y-o-y from ₱57.48 million to ₱63.16 million. This is attributable to the Company's 60% increase in GLA to 14,296 sqm. with the recent turnover of Base Line Retail (5,216 sqm. GLA), Base Line HQ (1,721 sqm. GLA) and Casa Mira Towers Labangon (1,124 sqm. GLA) in Cebu. In 2020, Latitude Corporate Center will be completed and will add another 3,263 sqm. in GLA. The project will further augment the Company's recurring portfolio by 2020.

Cost and Expenses

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

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

Borrowing costs for the year, both booked as cost of real estate sale and outright expense, decreased to ₱169.53 million from ₱176.95 million due to interest cost savings. Total interest cost capitalized as real estate inventory amounted to ₱802.55 million from ₱242.24 million y-o-y as more debt was availed in 2019 to support capital expenditures including landbanking initiative and project development. This includes the ₱2 billion corporate notes issued in 2019 and ₱5 billion corporate notes issued in 2018.

Consolidated tax expense increased to ₱743.56 million, a 70% growth from ₱438.61 million in 2018 in line with the increase in consolidated net income.

FY 2018 vs FY 2017

CLI posted a consolidated net income growth of 72% from ₱1.26 billion to ₱2.17 billion. Net income attributable to Parent likewise increased to ₱1.67 billion in 2018, a solid earnings growth of 30% compared to ₱1.29 billion the previous year. The Company sustained its growth momentum with consolidated revenues increasing by 72% to ₱6.76 billion in 2018 versus ₱3.93 Billion in 2017. Revenues from sale of real estate similarly increased by 73% to ₱6.69 billion due to robust sales performance and construction progress from projects under construction.

For 2018, CLI registered an EPS of ₱0.98 per share, a notable 15% increase from ₱0.86 in 2017. Total outstanding shares as of December 31, 2018 was 1,667,500,000 after acquiring treasury shares of 46,500,000.

Revenues

Total consolidated revenues for 2018 reached ₱6.76 billion, 72% higher than ₱3.93 billion in 2017. Majority of revenues were from sale of real estate which likewise grew 73% due to robust sales performance. The projects that contributed to the growth were MesaTierra Garden Residences, Mivesa Garden Residences Phase 3, Casa Mira South, Latitude Corporate Center, and MesaVirre Garden Residences.

In terms of market segment, 45% of total revenues in 2018 came from the Garden Series, a mid-market brand; followed by Casa Mira, the economic housing product with 28%; and Premier Series with 19%. In 2017, Casa Mira accounted for 39%, followed by Premier Series with 34%, and Garden Series with 24%.

In terms of location, 64% of total revenue was contributed by Cebu projects. Davao and Cagayan de Oro accounted for 12% and 11%, respectively. The rest were generated from projects located in new expansion sites such as Bacolod and Dumaguete.

In 2018, CLI's leasing revenue grew by 26% y-o-y from ₱45.65 million to ₱57.58 million. The growth in rental revenue was attributed to the 42% increase in the Company's GLA to 8,952 sqm. and moderate lease rate increases from existing contracts. A portion of the retail area in Base Line Center was turned over to Robinsons Supermarket in December 2018.

Cost and Expenses

CLI reported total cost of sales of ₱3.1 billion for the period ended December 31, 2018, an increase of 66% from 2017 in line with the growth of the Company's revenue. As a percentage of revenue, 2018 cost rate declined from 48% to 46% due to the adoption of PFRS 15, a standard to account for revenue from contracts where costs are recognized only when billed and incurred.

Total operating expenses for 2018 amounted to ₱895 million, 58% more than the ₱566 million posted in 2017. The increase is primarily attributed to higher commissions and incentives that resulted from robust sales performance as more projects were launched during the year.

Interest costs for the period ended 2018 increased from ₱159 million to ₱305 million as more debt was availed during the year. This includes the ₱3 billion of the ₱5 billion corporate notes issued in 2018 to support CLI's capital expenditures including landbanking initiative and project development. Total capitalized interest for 2018 amounted to ₱216.5 million, higher than the ₱134.8 million in the previous year.

Total tax expense for 2018 increased significantly from ₱202.8 million to ₱438.6 million in line with the Company's growth in net income.

FY 2017 vs FY 2016

Cebu Landmasters, Inc. posted a 64% increase in net income after tax in 2017 to ₱1.261 billion from 2016's ₱767 million. Net income attributable to parent likewise increased by 65% to ₱1.287 billion from ₱778 million in 2016. This translates to ₱0.86 earnings per share for the year using weighted average number of shares of 1,499,000.

Revenues

Cebu Landmasters, Inc. reported outstanding financial growth for the year ended December 31, 2017 as its total revenues reached ₱3.929 billion, a 66% year-on-year growth driven by strong performance across all business units. The real estate segment of the Company which comprise majority of the revenue similarly grew by 67%, from ₱2.322 billion in 2016 to ₱3.879 billion in 2017. The said increase was primarily attributable to the robust sales performance and construction progress from newly constructed projects, Casa Mira Linao, Mivesa Residences building 5, Casa Mira Towers, Mesaverte Residences, Baseline Center where Citadines, Baseline HQ and Baseline Premier is. The Company started using the Percentage of Completion (POC) Method of revenue recognition to align with the industry practice and adapt in advance the Philippine Financial Reporting Standards (PFRS) 15 dictating that revenue from contracts be recognized in reference to the stages of development of the properties. With this change in method, the prior year's 2015 and 2016 were restated using POC in revenue recognition to reflect comparability in the financial statements.

The demand for real estate in selected growth areas increased reservation sales to ₱4.58 billion, 55.7% higher than 2016's sales figure of ₱2.94 billion. CLI attributed its exceptional performance primarily by the robust sales across various projects particularly from the company's new launches: 38

Park Avenue in IT Park Cebu, MesaVerte in CDO, Casa Mira South in Naga, Cebu and Mivesa Garden Residences in Salinas Drive, Cebu. Currently these projects are nearing fully sold status after a few months after launching.

Furthermore, rental income increased by 17% Year on Year from ₱46 million to ₱39 million. The growth was attained due to higher occupancy rates and rental rate increases during the year. The Company also started recognizing revenues from the projects it manages. These projects pertain to Joint Ventures (JV) where CLI is the project manager. Management fee charged is 2%-3% of the JV's sales collection and construction cost paid during the year. In 2017, the Company has four Joint Venture projects under development, namely: MesaTierra in Davao, Latitude Corporate Center in Cebu Business Park, 38 Park Avenue in IT Park, Cebu, Mivesa Garden Residences Phase 3 in Salinas Drive, Cebu.

Part of the Management Fee are revenues from the recently incorporated, Cebu Landmasters Property Management, Inc (CLPMI), the property management arm of Cebu Landmasters. CLPMI offers integrated property management services including building administration, subdivision maintenance, and special technical services. The subsidiary is currently managing five condominiums and six subdivision projects of CLI creating an extended relationship between Cebu Landmasters and its buyers even after turnover.

Cost and Expenses

Cost of sales increased to ₱1.89 billion – 68% more than last year's figures (₱1.124 billion). The increase is primarily in relation to the higher revenue of the company in 2017.

Total operating expenses for the year amounted to ₱566 million, 64% more than the ₱345 million incurred in 2016. The increase is mainly due to the higher manpower related expenses in 2017 as the company welcomed more employees to support its expansion into new growth areas in Visayas and Mindanao. The increase in commissions and incentives also contributed to the growth in operating expenses. This resulted from the higher sales and more launches of the company. Despite the increase in operating expenses, CLI was able to improve on efficiency as OPEX ratio declined from 15% to 14% during the year.

Interest costs increased to ₱158 million from ₱77 million in 2016 as more debt was availed by the company to support its project development.

REVIEW OF THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2019 vs December 31, 2018

CLI's balance sheet continues to be solidly positioned to support its growth plans. As of December 30, 2019, the Company reported ₱38.28 billion in total assets, a 51% growth from ₱25.43 billion in 2018. This is driven by higher volume in customer receivables due to increase in real estate reservation sales and revenue.

Assets

- *3% decrease in Cash and Cash equivalents*

The decline to ₱917.17 million from ₱949.16 million was due to increase in cash outflows for purchase of land and payment to project suppliers and contractors during the year.

- *45% increase in Receivables (including non-current portion)*

The increase to ₱5.88 billion from ₱4.04 billion is in line with growth in real estate reservation sales and revenues as construction progress of units sold are moved to accounts receivables.

- *63% increase in Contract assets (including non-current portion)*

The increase to ₱8.89 billion from ₱5.44 billion is in line with higher real estate reservation sales and revenues as recognized based on construction progress of sold units.

- *51% increase in Real Estate inventory*

This refers to the cost of land and development costs of real estate properties and those that are already available for sale. The increase to ₱9.45 billion from ₱6.26 billion is due to progress in construction of ongoing projects.

- *27% decrease in Deposit on land for future development (including non-current portion)*

The decrease to ₱1.29 billion from ₱1.75 billion was due to increased project developments in 2019.

- *53% decrease in Due from related parties*

Transactions paid by CLI on behalf of its subsidiaries and affiliates decreased to ₱9.95 million from ₱21.15 million as of December 31, 2018.

- *162% increase in Prepayments and other current assets*

This increase to ₱2.27 billion from ₱864.14 million was due to prepayments and input VAT to owner-supplied materials to support 38 projects under construction in 2019 versus 24 projects in 2018.

- *46% increase in Investments in associates*

This increase to ₱16.38 million from ₱11.21 million was due to incorporation of new joint ventures and affiliates such as CHDI, YHESPH and TWDC, during the year.

- *56% increase in Investment Properties*

This increase to ₱8.90 billion from ₱5.70 billion is attributable to the ongoing construction of properties held to earn rental income and/or for capital appreciation.

- *100% increase in Right of uses asset and Lease liabilities*

This increase is due to the adoption of PFRS 16 on Leases starting January 1, 2019.

- *100% increase in Fair value of plan assets - net*

This increase is attributed to the recognition of plan assets – net of liability due to plan contributions exceeding the present value of retirement obligation.

- *99% increase in Other Non-current assets*

This increase to ₱128.87 million from ₱64.66 million is due to additional purchase of computer software and long-term deposits with suppliers.

Liabilities

- *58% increase in Interest bearing loans (including non-current portion)*

This increase to ₱16.86 billion from ₱10.64 billion was due to new loan availments made during the year to fund projects under construction.

- *141% increase in Trade and other payables (including non-current portion)*

This increase to ₱5.78 billion from ₱2.40 billion was due to increase in payables and accruals to various suppliers and contractors arising from the increased volume of projects under construction.

- *22% increase in Contract Liabilities and Customers' deposits*

Contract liabilities pertain to collections from buyers that are ahead of the stage of completion while Customers' deposits pertain to collections from buyers where the revenue criteria for sales recognition has not yet been met. This increase to ₱610.01 million from ₱500.70 million is in line with increase in reservation sales and project launches during the year.

- *37% increase in Income tax payable*

This increase to ₱29.73 million from ₱17.73 million is due to higher taxable income.

- *109% increase in Deferred tax liabilities*

This increase to ₱1.12 billion from ₱537.04 million is due to increase in recognized tax liability on taxable temporary difference in net income.

Equity

- *16% increase in Treasury shares*

This increase to ₱247.19 million from ₱212.46 million is due to the 8.32 million shares repurchased during the year under the Company's share buy-back program.

- *47% decrease in Revaluation Reserve*

This decrease to ₱6.59 million from ₱12.43 million is due to other comprehensive income remeasurements of post-employment defined benefit plans. This is in line with the decrease in post-employment defined benefit liabilities.

- *57% increase in Retained Earnings*

This increase to ₱4.62 billion from ₱2.94 billion is due to accumulation of earnings for the year after reducing the ₱332.59 million dividends paid in 2019.

- *15% increase in Non-Controlling interests*

This increase to ₱6.06 billion from ₱5.28 billion is significantly due to incorporation of new joint ventures and affiliates investments during the year.

As of December 31, 2018 vs December 31, 2017

CLI posted a solid balance sheet position in 2018 to provide adequate capacity to support its expansion plans. After the full utilization of the ₱2 billion proceeds received during IPO, the company signed a notes facility agreement for a ₱5 billion corporate notes to fund its planned capital expenditures for the year including land banking initiatives and project development. A total of ₱3 billion of the corporate notes were issued as of the year-end 2018 bringing total borrowings to ₱10.6 billion from ₱5.1 billion in 2017. This translates to a debt-to-equity ratio of 0.94. Total Assets as of December 2018 amounted to ₱25.4 billion, a notable 88% increase from ₱13.5 billion in 2017

Assets

- *35% decrease in Cash and Cash equivalents*

Proceeds of the Initial Public Offering of the company in 2017 were utilized for the company's expansion.

- *11% decrease in Trade and other receivables (including non-current portion)*

This decrease is normal as receivables related to the construction progress of the units are moved to contract assets account.

- *100% increase in contract assets (including non-current portion)*

These are progress in construction of sold units that are yet to be due once fully completed.

- *15% increase in Real Estate inventory*

This increase refers to the construction progress of units that have not qualified for revenue recognition.

- *85% increase in Deposit on land for future development (including non-current portion)*

This increase is due to land acquisitions to increase company's landbank for the year.

- *19% increase in Due from related parties*

These are transactions paid by CLI in behalf of its related parties.

- *155% increase in Prepayments and other current assets*

This increase is largely due to prepaid expenses and input VAT pertaining to owner supplied materials for project construction. The amount is higher as more projects are being constructed this year.

- *86% increase in Property Plant and Equipment*

This increase is attributable to additional purchases of PPE made by the company during the year.

- *1659% increase in Investment Properties*

This is attributable to the ongoing construction progress of the company's recurring business.

- *71% decrease in Other Non-current assets*

This is because investments made to a joint venture were moved to investments after it was incorporated in 2018.

Liabilities

- *47% increase in Trade and other payables*

This is a result of regular credit and payment transactions arising from the increased volume of projects currently in the construction stage.

- *37% increase in Contract Liability and Customers' deposit*

This increase is due to the robust sales of the company.

- *109% increase in Interest bearing loans (including non-current portion)*

This increase is due to the loan availments made by the company to fund the construction of its projects. Increase in loans correspond the increase in projects constructed this year.

- *16710% increase in Income tax payable*

This increase is due to the higher taxable income of the company.

- *100% decrease in reserve for property development*

This is due to the application of PFRS 15 eliminating the cost to complete account.

- *47% decrease in post-employment defined benefit obligation*

This decrease is due to the payment of retirement benefits.

- *140% increase in deferred tax liability*

This increase is due to the increasing difference between accounting and tax income.

Equity

- *100% increase in Treasury shares*

This is due to the 46,500,000 shares repurchased by CLI in relation to its share buy-back program for the employee stock option.

- *188% increase in Revaluation Reserve*

This increase is due to the revaluation of AFS financial assets and remeasurements of post-employment defined benefit plan.

- *93% increase in Retained Earnings*

This is due to the accumulation of earnings for the year after reducing the amounts paid for dividends.

- *825% increase in Non-Controlling interest*

This increase is attributable to projects under joint ventures that started contributing revenue in 2018.

As of December 31, 2017 vs December 31, 2016

CLI's balance sheet is geared to support the expansion plan of the company as it ventures to bring its expertise outside Cebu and into strategic areas in the Visayas Mindanao Region. As of December 2017, the company reported ₱13.5 billion in assets, a notable growth from the ₱6.8 billion in assets by the end of 2016. The growth in assets is driven by the proceeds from the recent Initial Public Offering of the company and increased volume in collections from customers due to its outstanding sales performance.

Assets

- *1161% increase in Cash and Cash equivalents*

This increase is primarily from the proceeds of the recent Initial Public Offering of the company.

- *122% increase in Trade and other receivables (including non-current portion)*

This increase is primarily caused by CLI's robust sales performance.

- *50% increase in Real estate inventory*

This increase is primarily due to new project launches and construction progress of existing developments.

- *265% decrease in Deposit on land for future development*

This decrease is normal as CLI launches and develops raw land to its new projects.

- *26% decrease in due to related parties*

This decrease is normal as CLI collects advances it made for its JV projects.

- *82% increase in Prepayments and other current assets*

This increase is largely due to the input VAT related to the material purchases of the company for the construction of its projects.

- *6% increase in Property Plant and Equipment*

This increase is attributable to additional purchases of PPE made by the company during the year.

- *9% increase in Investment Properties*

This increase is attributable to the ongoing construction progress of the company's recurring business.

- *886% increase in Other Non-current assets*

This increase is due to the purchase of the new accounting software (SAP).

Liabilities

- *77% increase in Trade and other payables (including non-current portion)*

This is a result of regular credit and payment transactions arising from the increased volume of projects currently in the construction stage.

- *12% increase in Customer's deposit*

This increase is due to the robust sales of the company.

- *40% increase in Interest bearing loans (including non-current portion)*

This is due to the loan availments made by the company to fund the construction of its projects. Increase in loans correspond the increase in projects constructed this year.

- *198% increase in reserve for property development*

This is due to accruals from the growing construction cost of projects in development.

- *440% increase in Post-employment defined benefit obligation*

This increase is normal as the company sets up the benefit for its new employees.

- *124% increase in deferred tax liability*

This increase is due to the increasing difference between accounting and tax income.

Equity

- *33% increase in Share Capital*

This increase is mainly from the new common shares issued by the company during its initial public offering.

- *100% increase in Share Premium*

This increase is caused by the excess proceeds from the issuance of common shares.

- *541% increase in Retained Earnings*

This increase is due to the accumulation of earnings for the year

Except for the current COVID-19 pandemic, the Company is not aware of any trends or demands, commitments, events or uncertainties that will result in a material increase or decrease in its liquidity. Neither is it aware of any events that will trigger a direct or contingent financial obligation, including any default or acceleration of any obligation.

Likewise, the Company is not aware of any material off-balance-sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the reporting period and neither does it have any material commitments for capital expenditures outside its normal course of business.

The Company has no known seasonal aspects that has a material effect on its financial condition or results of operations.

As for the impact of COVID-19, the Company acknowledges that suspension of businesses over a prolonged period of time could negatively impact its financial condition and operations. However, the severity of these consequences will depend on certain developments, including the duration and spread of the outbreak, impact on CLI's customers, suppliers, employees, and the accessibility and effectiveness of government support programs to a group of customers, all of which are uncertain and cannot be predicted as of the date of this Definitive Information Statement. Accordingly, Management is unable to reliably estimate yet as at the issuance date of this Definitive Information Statement the impact of the outbreak on the Company's financial position and operations in succeeding periods.

The Company will continue to monitor material changes brought about by this pandemic from period to period and will promptly issue disclosures, including vertical and horizontal analyses of any material item, if and when appropriate or necessary in accordance with prevailing SEC and PSE disclosure rules.