CEBU LANDMASTERS

We Build with You in Mind

2016 ANNUAL REPORT

VISION

By 2020, CLI envisions to be the leading and a highly diversified real estate developer in Visayas and Mindanao delivering sustainable value for its employees, customers, partners, investors and community.

CORE VALUES

C3LI
C – Customer-First
C – Collaboration
C – Competence
L – Leadership
I – Integrity

MISSION

To transform properties into exceptional developments where people can proudly live, work and thrive.

CLI HISTORY

Cebu Landmasters, Inc. is a home-grown real estate development company in Cebu. The company is engaged in the development of residential, commercial, hospitality, mixed-use and civic projects. It was established in 2003 in the wonderful queen city of the south founded by a true blooded Cebuano entrepreneur. Guided by sincere family values, genuine real estate passion and unrelenting faith, the company is highly committed to its customers and community.

2003

Started with the first **San Josemaria Village** in Balamban targeted to Filipino workers in the area. It started with only two employees including its founder Jose R. Soberano III doing the hands-on selling.

2007

The company developed the second **San Josemaria Village** in Minglanilla offering the same affordable mid-cost quality homes.

2009

The third **San Josemaria Village** was developed in the prospering town of Toledo bringing affordability and quality living closer to the needs of OFW families.

2010

The fourth **San Josemaria Village** in Talisay City was developed giving the city dwellers the chance to own and experience the unique brand.

The company developed its first vertical project, and the first residential condominium at the booming Cebu I.T. Park, **Asia Premier Residences**.

2011

Base Line Residences was launched in one of Cebu's landmark district, the Base Line.

Midori Plains was launched in the southern town of Minglanlla with over 370 house and lot units.

2012

Following the success of **Midori Plains**, the twin-tower Midori Residences was launched in the prime area of AS Fortuna, bridging the two cities of Cebu and Mandaue. A total of 396 condo units were developed.

2013

Mivesa Garden Residences was launched.

2013

Velmiro Heights was developed offering high-end amenities and generous living spaces in a rolling terrain boasting of spectacular views.

2014

Villa Casita was launched in the western town of Balamban to cater to the low cost housing needs of the low-income market.

Park Centrale bagged the coveted Philippines Property Award as the winner for the Best Commercial Development – Cebu. The award marked a significant milestone for the real estate industry in Cebu as well as among the home-grown companies by being the first Cebu developer to win the PPA 2014.

2015

A major mixed-used development in the heart of Midtown Cebu, the **Base Line Center,** was launched. The project features an upscale residential condo (Base Line Premier), prime office spaces (Base Line HQ), and a 180- room serviced residences (Citadines – managed by an international group, The Ascott Limited).

MesaVerte Residences was launched in Cagayan de Oro, Cebu Landmasters' pioneering project in Mindanao.

The **Casa Mira** brand was born. An economic housing development that started with Casa Mira Linao with 725 townhouse units followed by a vertical counterpart in Labangon, Casa Mira Towers, with over 700 condo units.

2016

The **Latitude** Corporate Center was launched. A grade A office building located at Cebu's premier business address, Cebu Business Park.

RESIDENTIAL SUBDIVISIONS

Velmiro Heights, Minglanilla, Cebu

Midori Plains, Minglanilla, Cebu

RESIDENTIAL CONDOMINIUMS

Asia Premiere Residences, Cebu I.T. Park, Cebu City

Mivesa Garden Residences, Lahug, Cebu City

Midori Residences, A.S. Fortuna, Cebu City

COMMERCIAL, HOTELS, MIXED-USE

Park Centrale Tower, Cebu I.T. Park, Cebu City

Citadines Cebu City at the Baseline,
Juana Osmeña St., Cebu City

Latitude Corporate Center, Cebu Business Park, Cebu City

NEW LAUNCHES

38 Park Avenue, Cebu I.T. Park., Cebu City

Casa Mira South, Langtad, Naga, Cebu

MesaTierra Garden Residences,
Emilio Jacinto Ext., Davao City

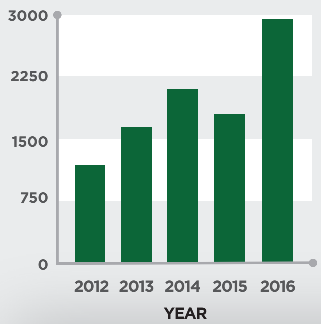
Astra Centre, A.S. Fortuna, Mandaue City

PERFORMANCE HIGHLIGHTS

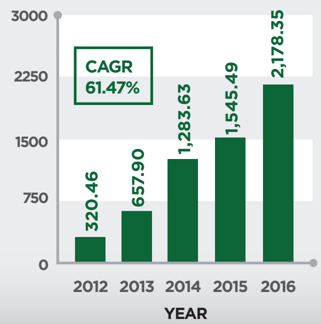
FINANCIAL HIGHLIGHTS	2014	2015	2016
STATEMENT OF NET INCOME			
Reservation Sales	2,110,627,654	1,798,512,553	2,945,549,114
Revenue	1,283,631,468	1,545,486,011	2,178,350,321
Net Income	433,549,412	537,170,232	702,323,954
STATEMENT OF FINANCIAL POSITION			
Cash and Cash Equivalents	114,482,457	123,644,624	90,617,743
Total Assets	2,825,246,546	3,650,903,700	5,346,911,502
Total Liabilities	1,914,174,553	2,407,298,617	3,808,672,984
Stockholder's Equity	911,071,993	1,243,605,083	1,538,238,518
STATEMENT OF CASH FLOWS			
Net Cash Provided by Operating Activities	-242,507,121	-96,787,658	-487,622,430
Net Cash Provided by Investing Activities	-200,293,644	-15,541,660	-176,346,570
Net Cash Provided by Financing Activities	447,747,094	121,491,485	630,942,119
FINANCIAL RATIOS			
Current Ratio	1.8982	2.052	2.127
Debt to Equity Ratio	1.0975	1.073	1.55
Return on Assets	63.60%	49.86%	50.49%
Return on Equity	15.35%	14.71%	13.14%

YEARS OF CONSISTENT GROWTH

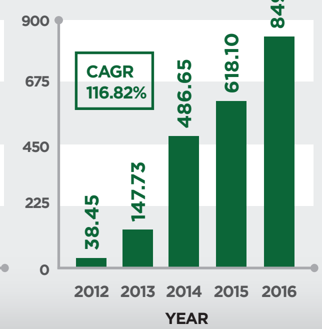
RESERVATION SALES
(IN PHP MILLIONS)



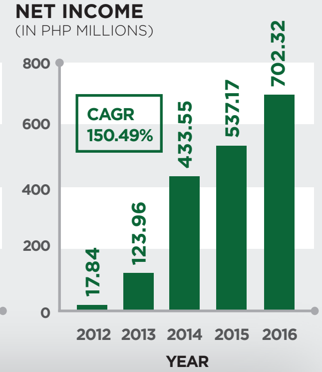
REVENUE
(IN PHP MILLIONS)



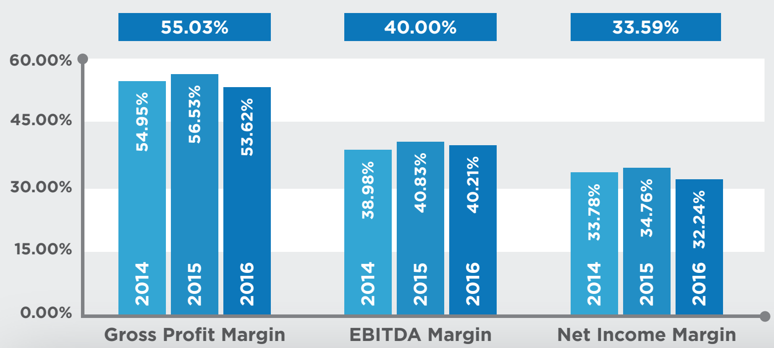
OPERATING PROFIT
(IN PHP MILLIONS)



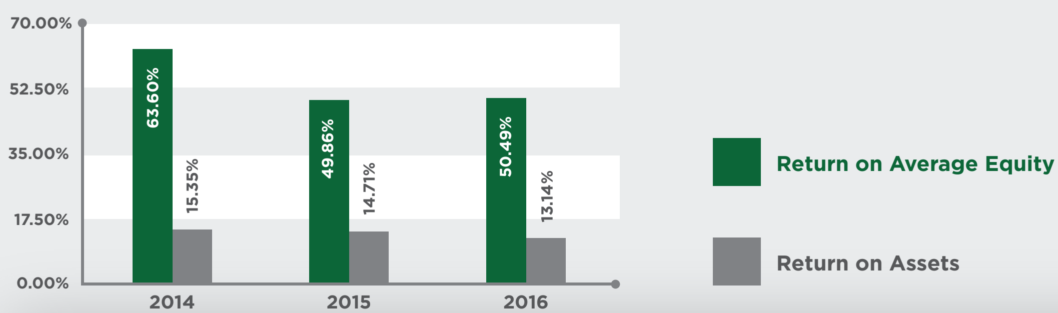
NET INCOME
(IN PHP MILLIONS)



STABLE PERFORMANCE MARGINS

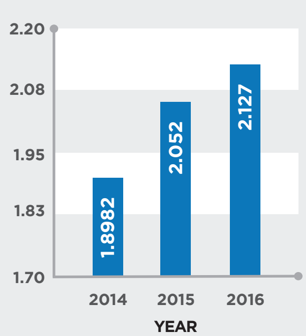


SUPERIOR RETURNS ON ASSETS AND EQUITY

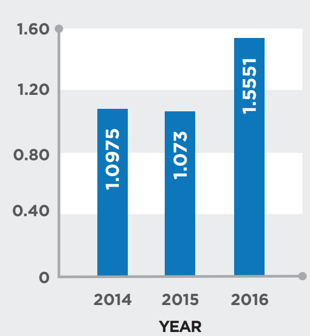


PRUDENT DEBT MANAGEMENT

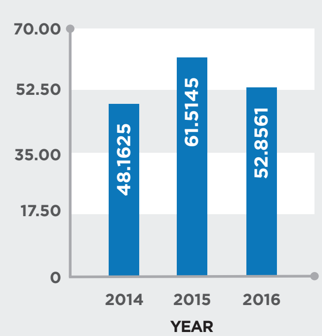
CURRENT RATIO



DEBT TO EQUITY RATIO



INTEREST COVERAGE RATIO



CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

This is definitely Cebu Landmasters' banner year. We have reached several significant milestones in 2017, most notably our recent Initial Public Offering last June 2, 2017. Our journey has been a very fruitful and meaningful one, and this would not have been possible without the hardworking men and women of Cebu Landmasters, valued homeowners, business partners, and of course our shareholders. With hearts full of gratitude and spirits at full strength, your company is gearing itself for leadership in the Visayas and Mindanao region – a target it feels is achievable with its competencies and culture well-suited for the region.

Our humble journey began in 2003 with only 1 project and 2 employees. Today, we have over 42 developments in 7 key cities around the Visayas and Mindanao, while establishing ourselves as the # 1 homegrown developer in Cebu with a team of over 200 of the most customer-centric employees. Nevertheless, the greater satisfaction lies in the number of satisfied clients we have served. We have always endeavored to build with our customers in mind, every step of the way. As we have grown, we have not lost sight of this homegrown and hands-on approach, but rather we have built it better and stronger, and that's what will differentiate Cebu Landmasters.

Last June 2, 2017, the company listed on the Philippine Stock Exchange. We were so honored to welcome new owners in the company, our shareholders. This IPO was a result of years of process improvements, organic growth and tremendous financial results wherein our revenues have grown at a compounded annual growth rate of 61.47% and net income of 150.49% in the last 5 years. The timing could not have come at a better time. At CLI, we feel that we are just beginning, and the IPO has been an excellent springboard for us to duplicate the success in Cebu to the rest of the key Vismin cities.

CLI has launched 17B worth of projects in 2017. This includes a formidable and diverse line-up of real estate products which include residential housing, residential condominiums, offices, hotels and mixed-use projects. Among these 14 projects, 6 of which include our growing presence in the key Vismin cities of Davao, Cagayan de Oro, Iloilo, Bacolod and Dumaguete. We are confident that CLI's value-for-money approach is well-received and much needed in these underserved markets. From our base in Cebu, we can be well-positioned to not only deliver robust sales but also carry-out the best operation from the ground-up.

It has truly been a banner year for us, but we are treating this as an opening of a new chapter. This new chapter will see CLI continue to grow even more, while carrying-over the type of competencies that have brought it to where it is today – a hands-on, family-oriented real estate company who will be there for its customers every step of the way. While we look back at 2017 with a lot of gratitude, we very much look forward to the coming years with a lot of excitement and confidence as we strive to become VisMin's leading homegrown real estate player.

God bless Cebu Landmasters, our valued homeowners and shareholders!

Yours truly,

JOSE R. SOBERANO III
Chairman & CEO

CHIEF OPERATING OFFICER'S MESSAGE

Dear CLI Shareholders,

CLI prides itself as having one of the finest real estate operations in the region. With its acquire-to-develop strategy, it aims to deliver greater value to its customers by developing its products at a faster turnaround pace, at a better quality and with the full support of CLI's fully-integrated set-up. At CLI, we are always conscious of this greater value whether it's at the acquisition, planning, pre-selling, construction, turnover or property management phase. Each and every member of our team will closely work with the customer in every step of the process.

With our eyes set on becoming the Vismin region's leading homegrown player by 2020, we are proud to report that our organization is beefing up strongly. Our processes have been perfected over the last 15 years, and we continue to innovate. With our recent roll-out in Cagayan de Oro, Davao, Dumaguete, Iloilo and Bacolod, CLI has set-up satellite sales and engineering offices to better cater to the needs of both our customers and operations. From our home base in Cebu, we are better positioned to manage our projects more efficiently, decisively and harmoniously in these VisMin cities.

In 2017, our operations scaled new and exciting heights. With 14 projects scheduled for launch throughout the year, our team remained very committed to turnaround quickly from acquisition to construction so that greater value can be unlocked for both our clients and shareholders. Most notably, our early 2017 projects have moved immediately to the construction phase. These include Latitude Corporate Center (Grade A office building, Cebu), MesaTierra Garden Residences (mid-market residential condo, Davao), 38 Park Avenue (high-end residential condo, Cebu) and Casa Mira South (economic housing, Cebu). These projects moved from acquisition to construction in less than 6-8 months. We are also very proud to be turning over several units to our valued homeowners, which include units from Velmiro Heights (mid-market housing, Cebu), Mivesa Garden Residences PH2 (mid-market condo, Cebu), and Casa Mira Linao (economic housing, Minglanilla).

In Cebu, we will continue to cement our leadership. We are inspired by the warm reception that our Cebuano investors have given to CLI, and we are encouraged by the solid relationship with our various contractors and suppliers. This paves the way for us to effectively execute our projects when we create a very harmonious working environment while remaining "homegrown", providing ample support to all our business partners in Cebu and our new Vismin locations. This is a blueprint we are reapplying and strengthening as we continue to grow our footprint in Vismin.

On behalf of my Cebu Landmasters team, I would like to thank our stakeholders for your trust and confidence. We are optimistic that the momentum gained in 2017 will be carried forward to the coming year and beyond. We remain focused on our customer and homeowner, and making them satisfied will always drive us forward.

Daghang Salamat!

Yours sincerely,

JOSE FRANCO B. SOBERANO
Chief Operating Officer

CHIEF FINANCE OFFICER'S MESSAGE

Dear Valued Shareholders:

Cebu Landmasters has always remained robust in delivering outstanding financial performance. In fact, in the past five years, Revenue and NIAT registered a compounded annual growth rate of 61.47% and 150.49%. Additionally, the company posted superior returns on assets at an average of 14.4% and equity of 54.65%. In light of these accomplishments, we are confident to open the company to the public. We intend to share the success that CLI has become to everyone and at the same time tap into additional capital funding to fully exploit opportunities. With the help of the IPO, we can continue to pursue opportunities in new markets and locations in our bid to be the number one real estate developer in Visayas and Mindanao.

For fiscal year ended 2016 , income at over Php 702.32 million has been the highest in the company's 14-year history. Last year's revenue surged to Php 2.2 billion which was 41% higher than the Php 1.5 billion recognized in 2015. The increase can be mainly attributed to the 48.7% growth in real estate sales. This is a result of the effective marketing, driven sales team and of course the timely construction of our new projects.

Last June 2, the company was successfully listed at the Philippine Stock Exchange and was able to raise fresh equity capital amounting to Php 2.15 billion. The 430,000,000 primary shares were fully subscribed at Php 5. As a testament of the company's fast project turnaround, we have already used Php 605.6 million or 28% of the IPO proceeds in key land acquisitions and investments in Joint ventures. The company schedules to use up the rest of the proceeds within the 1st Half of 2018.

The future looks bright as the first nine months of this year continues the phenomenal growth from last year. As it stands year on year revenue is at Php 2.76 billion, up 68% Year on Year while the Net income posted at Php 940.2 million, a 105% increase from the 2016 figures. We are confident that the company will achieve the Php 1.25 billion net income target established at the beginning of the year.

Given the strong and continued growth in opportunities in the real estate industry, and the favorable investment climate of the country in the coming years, it is with great excitement that we join the management of Cebu Landmasters in embracing the positive challenges in the months to come.

Very truly yours,

STEPHEN A. TAN
Chief Finance Officer

THE CLI JOURNEY TO IPO

THE CLI JOURNEY TO IPO

During CLI's annual strategic planning session, the idea of going public was first considered. With its growing portfolio accompanied by both financial and marketing success, the company felt that it has the potential to be one of the few listed companies from the Vismin region. At around this time, CLI also expanded outside Cebu with its first project in CDO. With a goal of becoming the preferred homegrown real estate company in Vismin by 2020, doing an IPO would further equip the company to effectively roll-out its expansion plans.

2015

2017

2016

Preparations for IPO started with a formal kick off in July 2016. BDO Capital and BPI Capital were engaged as co-lead underwriters, while ACCRA and Sycip Law formed part of the legal team. CLI's independent auditor, Punongbayan and Araullo, was also onboard. "Project Josemaria" was then conceived, named after the Patron Saint of the Soberano family, and the name of the very first CLI project. This is the working group that facilitated the necessary requirements for IPO.

From the kick-off until then end of 2016, CLI worked with the IPO in handling several due diligence and regulatory requirements including initial preparations for the company's IPO prospectus.

April 4-12

One-on-one presentations

CLI presented the company credentials and investment rationale through one-on-one presentations to institutional investors who visited the CLI headquarters. Site tours were also conducted in various locations.

April 21

Investors Briefings started:
Manila – Manila Peninsula
Cebu – Marco Polo Plaza Cebu

CLI investor's presentation was shown to a larger group of institutional investors in Manila and in Cebu.

April 21

Approval from SEC

CLI received the approval from SEC for the initial public offering.

April 26

Permit to sell was secured from SEC

CLI was issued the permit to sell by SEC, allowing the company to sell its equity securities.

May 10

Approval from PSE

All listing requirements were accepted and approved and CLI got the authorization from PSE to proceed with the initial public offering.

Roadshows:
Manila, Makati Shangri-la
Cebu, Cebu City Marriott Hotel
Davao, Marco Polo Davao

A series of roadshows were conducted in Cebu, Davao and Manila to discuss and show to the public the investor's presentation of CLI.

May 17-19

Bell ringing / Listing date

CLI is officially listed in the Philippine stock market with a bell ringing ceremony at the Philippine Stock Exchange.

June 2

May 12

Determination of the share price

Price of the initial public offering of CLI shares was decided by CLI Management. It was pegged at P5.00 per share.

May 19-26

Offer Period
Local Small Investors (LSI) booth set-ups

Official selling of CLI shares began.

CLI CORPORATE SOCIAL RESPONSIBILITY INITIATIVES 2016

Children's Hour

CLI is a key supporter of Children's Hour through various activities of the organization, such as the provision of classrooms for close to 500 disadvantaged children per school year in Minglanilla, Cambagocboc and Toledo in Cebu. CLI also supports Children's Hour fund raising events such as the Annual Benefit Lunch and Kinselebrasyon, which benefit an average of 35,000 children every year.

Company chairman and chief executive officer Jose Soberano III is the chairman of the Visayas Steering Committee of Children's Hour.

Habitat for Humanity

CLI directly supports the programs of Habitat for Humanity Philippines whose drive is to give more Filipino families a decent home, provide larger opportunities, and offer a better chance at life.

Mr. Jose Soberano III is a member of the Capital Campaign Cabinet for Cebu of Habitat for Humanity Philippines. He is actively involved in the Asia Pacific Housing Forum and the We Build Cebu Launch, and also supports this mission through the following socialised housing projects: Pinamalayan, the Bohol, and Bistekville 4.

Total CLI contributions to the organization helped provide homes to more than 500 famiies

Global Shapers Community Cebu

CLI chief operating officer Franco Soberano is curator of the Global Shapers Community Cebu hub, which was formally incorporated as a non-stock non-profit organization in 2016. It is part a worldwide network of inspiring young people working together to drive dialogue, action and change to address local, regional and global challenges. It is an initiative and the youth arm of the World Economic Forum.

With Franco's leadership, Global Shapers Community Cebu launched the Dream Campaign series to mobilize the city's youth dreamers to take action in improving the state of Cebu and make it livable through a four-pillar engagement dubbed as CEBU: (C) Citizen Engagement, (E) Environmental Conservation, (B) Business Development, and (U) Universal Education.

Center for Industrial Technology and Enterprise (CITE)

CLI chairman, president and chief executive officer Jose Soberano III is the chairman of Center for Industrial Technology and Enterprise (CITE). He spearheaded the construction of a two-story CITE Student-Alumni Building that would house the Institute for Entrepreneurship, the Institute for Voc-Tech (Vocational-Technology), a spiritual formation center for students and alumni, library, and other key offices that allow easy access to visitors and clients. CLI has been supporting programs of CITE, the center of excellence in the service of the less privileged youth, their families and alumni.

Reforestation Program

Cebu Landmasters partnered with the Philippine Business for Social Progress (PBSP) in a reforestation program for the Central Cebu Protected Landscape. In 2016, close to a hundred employees and volunteers participated in tree planting activities in a 43.26-hectare reforestation site of PBSP in Pung-ol Sibugay.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of Cebu Landmasters, Inc. should be read in conjunction with the unaudited financial statements and accompanying notes set forth elsewhere in this report.

- Key Performance Indicators
- Review on the company's 2016 vs 2015 Results of operation
- Review on the company's Financial condition as of December 31, 2016 vs December 31, 2015

CEBU LANDMASTERS
We Build with You in Mind

KEY PERFORMANCE INDICATORS

Management uses the following indicators to evaluate the performance of the company:

	2016	2015
STATEMENT OF NET INCOME		
Gross Profit Margin	53.62%	56.53%
NIAT Margin	32.24%	34.76%
ROE	50.49%	49.86%
ROA	13.14%	14.71%
	As of December 31, 2016	As of December 31, 2015
STABILITY		
Debt/ Equity	1.55	1.073
Interest Coverage Ratio	52.86	61.51
LIQUIDITY		
Current Ratio	2.127	2.052

NOTE

1. Gross Profit Margin - is calculated by dividing gross profit by revenues. The ratio measures how much of every peso of revenues is left over after paying cost of goods sold (COGS)

2. Net Income Margin- is calculated by dividing Net Income after taxes by the total revenues. The said financial ratio tells investors the percentage of money a company actually earns per peso of revenues.

3. Return on Equity (ROE) - is the amount of net income returned as a percentage of shareholders equity. ROE measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

4. Return on Assets (ROA) - indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. This is calculated by dividing a company's earnings by its total assets

5. Debt/Equity - the ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. This is calculated by dividing a company's total liabilities by its stockholders' equity.

6. Interest Coverage Ratio - is used to determine how easily a company can pay their interest expenses on outstanding debt. The ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period.

7. Current Ratio - is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities.

These KPI values mentioned were within management's expectation during the period in review. Management together with key officers of the company continue to effectively handle their respective operations and financial requirements. As a result, profitability had been sustained and financial position remains strong and liquid.

REVIEW ON THE COMPANY'S RESULTS OF OPERATION 2016 vs 2015

Cebu Landmasters, Inc. posted net income after tax of Php 702.3 million for 2016. This is 30.74% higher than last year's net income for the same period which amounted to Php 537.1 million.

REVENUES

Cebu Landmasters, Inc. reported outstanding financial growth for the year 2016 as its total revenues reached Php2.18 billion, a 41% year-on-year growth driven by strong performance across all business units. The real estate segment of the company which comprised a big chuck of the revenue increased by 39.6%, from Php1.53 billion in 2015 to Php2.139 billion in 2016. The said increase was primarily attributable to the robust sales and on time construction progress of Casa Mira Linao, Velmiro Heights and Mivesa Garden Residences Phase 2.

The demand for real estate in selected growth areas increased reservation sales to Php2.95 billion, a 64% year-on-year growth. This was primarily caused by the robust sales across various projects particularly from the company's new launches.

Furthermore, rental income tripled from Php12.56 million in the 2015 to Php38.87 million in 2016. The growth was attained due to higher occupancy rates and rental rate increases during the period.

COST AND EXPENSES

Cost of real estate sales increased to Php993.511 million – 48.7% more than last year's figures (Php668 million). This is primarily due to the increase in the overall recorded revenue of the company.

Total operating expenses in 2016 amounted to Php 335.8million, 25% more than the Php268.6million incurred in the same period last year. The increase can be attributed to the higher manpower related expenses this year 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 still able to improve on efficiency as OPEX ratio declined from 17.4% to 15.4% during the period.

Interest and other financing charges increased by 61.6% year on year, from Php10.3 million in 2015 to Php16.6 million in the 2016 as more debt was availed by the company to support its project development.

Subsequently, income tax for the 2016 also increased, from Php71 million to Php125.7 million. The 77% increase year on year can be traced back to the higher taxable income as the company posted higher earnings for the period.

REVIEW ON THE COMPANY'S FINANCIAL CONDITION

As of December 31, 2016, vs As of December 31, 2015

Cebu Landmaster'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 31 December 2016, the company reported Php5.3 billion in assets – a notable growth from the Php3.65 billion in assets by the end of 2015. The growth in assets is driven by the increase in receivables as the sales of the company also increased.

ASSETS

27% decrease in Cash and Cash equivalents
Primarily from usage of cash in operating activities

78.5% increase in Trade and other receivables (including non-current portion)
Primarily caused by CLI's robust sales performance

27.2% increase in Real estate inventory
Primarily due to new project launches and construction progress of existing developments

235% increase in Deposit on land for future development
Due to land acquisitions to increase company's landbank

84.4% increase in Advances to related parties
Mainly due to the increase in operating expenses CLI paid in behalf of the JV company.

1815% increase in Investment in subsidiaries and associates
Mainly due to the investments made to new Joint Ventures the company and its partners created for project development during the year.

87.78% increase in Other Non-current assets
Due to the refundable deposits that pertain to recoverable payments by the group.

LIABILITIES

33.1% 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.

79.3% increase in Interest bearing loans (including non-current portion)
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.

59% increase in reserve for property development
Due to accruals from the growing construction cost of projects in development.

EQUITY

53.28% increase in Share Capital
Mainly from the new common shares issued by the company for the additional investment by management.

August 15, 2017

BOARD OF DIRECTORS

Jose R. Soberano III
Chairman & CEO

Ma. Rosario B. Soberano
Executive Vice-President

Jose Franco B. Soberano
Senior Vice-President &
Chief Operating Officer

Joanna Marie Soberano-Bergundthal
Vice-President &
Marketing Director

Rufino Luis T. Manotok
Independent Director

Ma. Aurora Geotina-Garcia
Independent Director

Jesus N. Alcordo
Independent Director

Retired RTC Judge Jose P. Soberano, Jr.
Corporate Secretary

Janella Mae B. Soberano
Director

CLI EXECUTIVES

Stephen A. Tan
Chief Finance Officer

Pedrito Capistrano, Jr.
Assistant Vice-President Engineering

Atty. Larri-Nil Veloso
Assistant Vice-President
Legal, Permits &
Documentation

Marie Rose Yulo
Assistant Vice-President
Sales & Customer Care

Connie Guieb
Assistant Vice-President
Finance & Accounting

CLI EXECUTIVES

CORPORATE FINANCE

Clarissa Mae A. Cabalda
Investor Relations Manager

DOCUMENTATION, PERMITS & LICENSES AND LEGAL

Mayflor L. Quilantang
Documentation Manager

Analee A. Baril
Documentation Manager

Lucita C. Yap
Permits & Licenses Manager

ACCOUNTING AND FINANCE

Magdaleno P. Ompad
Tax Manager

Alvin O. Ducoy
Accounting Manager

Frances Nanette R. Echavez
Finance Manager

Alana May O. Soberano
Treasury Manager

PURCHASING

Joy Anne T. Cimafranca
Purchasing Manager

BUSINESS DEVELOPMENT

Dennis Raul H. Alcarez
Business Development Head - Horizontal Projects

Sylvan John M. Monzon
Business Development Head - Vertical Projects

MARKETING

Rosemel D. Calderon
Senior Marketing Manager

Paul Brian D. Mayol
Marketing Manager

Kristine Yvanz G. Lacorte
Marketing Manager

Janella Mae B. Soberano
Marketing Manager

SALES

Sheila Marie G. Romarate
Sales Manager

Ismael O. Tuanquin
Sales Manager

Jennifer Niña D. Abella
Sales Manager

Juanita Inez S. Sisor
Sales Manager

Garrett Clyde N. Maisling
Sales Manager

CUSTOMER CARE

Leslie Y. Ouano
Customer Care Manager

ENGINEERING

Angel Linus R. Yap
Project Manager

Emmanuel E. Cabrera
Project Manager

Reginald T. Abellanosa
Project Manager

Rogelio Y. Arcenal
Project Manager

Ramon P. Generale
Project Manager

Felicisimo Eulogio A. Ramo
Project Manager

Ruben G. Miano
Project Manager

Nestor Q. Brila Jr.
Project Manager

PROPERTY MANAGEMENT

James I. Caro
Property Management Operations Head

Carlo A. Enriquez
Property Manager

AUDITED FINANCIAL STATEMENT

CEBU LANDMASTERS
We Build with You in Mind

CEBU LANDMASTERS, INC. AND SUBSIDIARY
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015
(With Corresponding Figures as of January 1, 2015)
(Amounts in Philippine Pesos)

	Notes	Consolidated December 31, 2016 (See Note 2)	Parent Company December 31, 2015 (As Restated - See Notes 2 and 23)	Parent Company January 1, 2015 (As Restated - See Notes 2 and 23)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	4	**P 90,617,743**	P 123,644,624	P 114,482,457
Receivables - net	5	**2,069,449,137**	1,206,274,995	794,796,047
Real estate inventory	6	**1,831,424,419**	1,439,841,508	1,473,711,694
Deposits on land for future development	7	**259,897,127**	77,559,615	45,000,000
Advances to related parties - net	22	**26,739,222**	171,583,998	188,388,936
Prepayments and other current assets	8	**102,631,805**	98,262,868	67,832,682
Total Current Assets		**4,380,759,453**	3,117,167,608	2,684,211,816
NON-CURRENT ASSETS				
Receivables - net	5	**184,374,872**	56,183,701	646,299
Available-for-sale financial assets	9	**54,133,275**	49,768,275	40,611,133
Investments in associates and joint ventures	12	**242,935,316**	12,680,055	-
Property and equipment - net	10	**164,166,429**	75,260,214	24,573,652
Investment properties - net	11	**297,664,109**	327,660,513	66,545,864
Other non-current assets - net	13	**22,878,048**	12,183,334	8,657,782
Total Non-current Assets		**966,152,049**	533,736,092	141,034,730
TOTAL ASSETS		**P 5,346,911,502**	P 3,650,903,700	P 2,825,246,546
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans	14	**P 787,980,146**	P 532,768,097	P 568,880,691
Trade and other payables	15	**487,447,566**	357,055,481	381,779,926
Customers' deposits	16	**456,968,051**	423,651,373	306,110,150
Reserve for property development	6	**327,236,408**	205,620,988	157,292,283
Total Current Liabilities		**2,059,632,171**	1,519,095,939	1,414,063,050
NON-CURRENT LIABILITIES				
Interest-bearing loans	14	**1,604,059,047**	801,653,906	431,047,896
Trade and other payables	15	**16,956,129**	21,810,990	43,486,402
Post-employment defined benefit obligation	20	**2,105,858**	5,023,696	2,737,398
Deferred tax liabilities - net	21	**125,919,779**	59,714,086	22,839,807
Total Non-current Liabilities		**1,749,040,813**	888,202,678	500,111,503
Total Liabilities		**3,808,672,984**	2,407,298,617	1,914,174,553
EQUITY	23			
Capital stock		**1,284,000,000**	837,690,000	537,690,000
Revaluation reserves		**(625,202)**	(2,718,140)	(80,998)
Retained earnings		**254,863,720**	408,633,223	373,462,991
Total Equity		**1,538,238,518**	1,243,605,083	911,071,993
TOTAL LIABILITIES AND EQUITY		**P 5,346,911,502**	P 3,650,903,700	P 2,825,246,546

See Notes to Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARY
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	Consolidated 2016 (See Note 2)	Parent Company 2015 (See Note 2)	Parent Company 2014 (See Note 2)
REVENUES				
Sale of real estates	2	**P 2,139,479,877**	P 1,532,930,791	P 1,279,415,168
Rental	11	**38,870,444**	12,555,220	4,216,300
		2,178,350,321	1,545,486,011	1,283,631,468
COST OF SALES AND RENTAL	17	**1,010,348,131**	671,832,331	578,300,212
GROSS PROFIT		**1,168,002,190**	873,653,680	705,331,256
OPERATING EXPENSES	18	**(335,832,043)**	(268,561,092)	(235,351,833)
OTHER OPERATING INCOME	19	**17,525,070**	13,012,072	16,673,709
OPERATING PROFIT		**849,695,217**	618,104,660	486,653,132
FINANCE COSTS	19	**(16,572,078)**	(10,258,035)	(10,388,266)
OTHER LOSSES	12	**(11,897,711)**	-	-
OTHER GAINS	11	**6,353,291**	-	1,239,822
FINANCE INCOME	19	**477,973**	366,416	882,843
PROFIT BEFORE TAX		**828,056,692**	608,213,041	478,387,531
TAX EXPENSE	21	**125,732,738**	71,042,809	44,838,119
NET PROFIT		**P 702,323,954**	P 537,170,232	P 433,549,412
Earnings per Share:				
Basic and diluted	24	**P 0.82**	P 0.67	P 0.54

See Notes to Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARY
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	Consolidated 2016 (See Note 2)	Parent Company 2015 (See Note 2)	Parent Company 2014 (See Note 2)
NET PROFIT		**P 702,323,954**	P 537,170,232	P 433,549,412
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment defined benefit obligation	20	**(510,088)**	(7,267,345)	-
Tax income	21	**153,026**	2,180,203	-
		(357,062)	(5,087,142)	-
Item that will be reclassified subsequently to profit or loss				
Fair value gains on available-for-sale financial assets	9	**3,500,000**	3,500,000	522,000
Tax expense	21	**(1,050,000)**	(1,050,000)	(156,600)
		2,450,000	2,450,000	365,400
Other Comprehensive Income (Loss) - net of tax		**2,092,938**	(2,637,142)	365,400
TOTAL COMPREHENSIVE INCOME		**P 704,416,892**	P 534,533,090	P 433,914,812

See Notes to Financial Statements.

CEBU LANDMASTERS, INC. AND SUBSIDIARY
(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Note	Capital Stock	Revaluation Reserves	Retained Earnings	Total
Consolidated (see Note 2)					
Balance at January 1, 2016					
As previously reported		**P 837,690,000**	**(P 2,718,140)**	**P 373,543,487**	**P 1,208,515,347**
Prior period adjustment	23	**-**	**-**	**35,089,736**	**35,089,736**
As restated		**837,690,000**	**(2,718,140)**	**408,633,223**	**1,243,605,083**
Transactions with owners					
Issuance of capital stock	23	**400,000,000**	**-**	**-**	**400,000,000**
Collection of subscription receivable	23	**46,310,000**	**-**	**-**	**46,310,000**
Cash dividends	23	**-**	**-**	**(856,093,457)**	**(856,093,457)**
		446,310,000	**-**	**(856,093,457)**	**(409,783,457)**
Total comprehensive income for the year					
Net profit for the year		**-**	**-**	**702,323,954**	**702,323,954**
Other comprehensive income	23	**-**	**2,092,938**	**-**	**2,092,938**
		-	**2,092,938**	**702,323,954**	**704,416,892**
Balance at December 31, 2016		**P 1,284,000,000**	**(P 625,202)**	**P 254,863,720**	**P 1,538,238,518**
Parent Company (see Note 2)					
Balance at January 1, 2015					
As previously reported		P 537,690,000	(P 80,998)	P 338,373,255	P 875,982,257
Prior period adjustment	23	-	-	35,089,736	35,089,736
As restated		537,690,000	(80,998)	373,462,991	911,071,993
Transactions with owners					
Stock dividend	23	300,000,000	-	(300,000,000)	-
Cash dividend	23	-	-	(202,000,000)	(202,000,000)
		300,000,000	-	(502,000,000)	(202,000,000)
Total comprehensive income for the year					
Net profit for the year		-	-	537,170,232	537,170,232
Other comprehensive loss	23	-	(2,637,142)	-	(2,637,142)
		-	(2,637,142)	537,170,232	534,533,090
Balance at December 31, 2015		P 837,690,000	(P 2,718,140)	P 408,633,223	P 1,243,605,083
Balance at January 1, 2014					
As previously reported		P 300,000,000	(P 446,398)	P 152,823,843	P 452,377,445
Prior period adjustment	23	-	-	35,089,736	35,089,736
As restated		300,000,000	(446,398)	187,913,579	487,467,181
Transactions with owners					
Stock dividend	23	200,000,000	-	(200,000,000)	-
Collection of subscription receivable		37,690,000	-	-	37,690,000
Cash dividend	23	-	-	(48,000,000)	(48,000,000)
		237,690,000	-	(248,000,000)	(10,310,000)
Total comprehensive income for the year					
Net profit for the year		-	-	433,549,412	433,549,412
Other comprehensive loss	23	-	365,400	-	365,400
		-	365,400	433,549,412	433,914,812
Balance at December 31, 2014		P 537,690,000	(P 80,998)	P 373,462,991	P 911,071,993

See Notes to Financial Statements.

(A Subsidiary of A B Soberano Holdings Corp.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	Consolidated 2016 (See Note 2)	Parent Company 2015 (See Note 2)	Parent Company 2014 (See Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 828,056,692**	P 608,213,041	P 478,387,531
Adjustments for:				
Depreciation and amortization	10, 11, 13	**31,307,074**	12,546,762	11,549,153
Interest expense on loans	19	**13,757,757**	7,431,405	9,898,810
Share in net losses of associates and joint ventures	12	**10,307,539**	-	-
Net gains on sale of investment properties	11	**(4,762,807)**	-	(1,239,822)
Day one loss net of amortization	19	**2,319,730**	2,381,803	-
Interest income	19	**(477,973)**	(366,416)	(882,843)
Operating profit before working capital changes		**880,508,012**	630,206,595	497,712,829
Increase in receivables		**(993,685,043)**	(471,037,851)	(337,883,694)
Increase in real estate inventory		**(393,606,660)**	(270,191,077)	(606,359,624)
Increase in deposits on land for future development		**(182,337,512)**	(32,559,615)	(45,000,000)
Increase in prepayments and other current assets		**(4,368,937)**	(33,291,799)	(42,070,546)
Decrease (increase) in other non-current assets		**(10,749,667)**	(3,917,169)	32,348
Increase (decrease) in trade and other payables		**65,166,170**	(46,708,909)	277,621,081
Increase (decrease) in customers' deposits		**33,316,678**	117,541,223	(72,440,829)
Increase in reserve for property development		**121,615,420**	48,328,705	117,885,803
Increase (decrease) in post-employment defined benefit obligation		**(3,427,926)**	(4,981,047)	410,705
Cash used in operations		**(487,569,465)**	(66,610,944)	(210,091,927)
Cash paid for taxes		**(52,965)**	(30,176,714)	(32,415,194)
Net Cash Used in Operating Activities		**(487,622,430)**	(96,787,658)	(242,507,121)
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of advances to related parties	22	**260,494,232**	185,365,657	68,217,069
Acquisitions of equity interest in associates and joint ventures	12	**(240,562,800)**	(1,620,124)	-
Advances to related parties	22	**(112,515,599)**	(176,050,124)	(219,882,405)
Acquisitions of property and equipment	10	**(108,088,253)**	(17,562,058)	(11,062,896)
Proceeds from sale and disposal of investment properties	11	**32,272,233**	-	5,571,427
Acquisitions of investment properties	11	**(6,782,161)**	-	(7,832,298)
Acquisitions of available-for-sale financial assets	9	**(865,000)**	(5,657,142)	(35,560,000)
Acquisitions of computer software	13	**(777,195)**	(384,285)	(627,384)
Interest received	19	**477,973**	366,416	882,843
Net Cash Used in Investing Activities		**(176,346,570)**	(15,541,660)	(200,293,644)

Forward

	Notes	Consolidated 2016 (See Note 2)	Parent Company 2015 (See Note 2)	Parent Company 2014 (See Note 2)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of interest-bearing loans	14	**P 1,603,789,687**	P 1,578,575,935	P 773,488,110
Cash dividends paid	23	**(856,093,457)**	(202,000,000)	(48,000,000)
Repayments of interest-bearing loans	14	**(546,172,497)**	(1,244,082,519)	(312,236,589)
Proceeds from share issuance	23	**400,000,000**	-	-
Collection of subscriptions receivable	23	**46,310,000**	-	37,690,000
Interest paid	19	**(13,757,757)**	(7,431,405)	(9,898,810)
Repayments of advances from related parties	22	**(3,133,857)**	(4,689,776)	(7,717,393)
Advances from related parties	22	**-**	1,119,250	14,421,776
Net Cash From Financing Activities		**630,942,119**	121,491,485	447,747,094
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(33,026,881)**	9,162,167	4,946,329
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**123,644,624**	114,482,457	109,536,128
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 90,617,743**	P 123,644,624	P 114,482,457

Supplemental Information for Non-cash Investing and Financing Activities:

1) The Parent Company reclassified condominium units amounting to P4.6 million from the Property and Equipment account to the Investment Property account (see Notes 10 and 11) and condominium units amounting to P2.0 million from the Real Estate Inventory account to the Investment Property account in 2016 (see Notes 6 and 11), and real estate inventories amounting to P41.4 million and P264.6 million to Property and Equipment and Investment Properties accounts, respectively, in 2015 (see Notes 10 and 11).

2) Certain investment in associates amounting to P11.0 million were acquired in 2015 through offsetting of account with a related party (see Note 12).

3) In 2015 and 2014, the Company issued P300.0 million and P200.0 million stock dividends, respectively (see Note 23).

See Notes to Financial Statements.

CEBU LANDMASTERS

We Build with You in Mind